



Cabinet Office
1 Horse Guards Road
London
SW1A 2HQ

Red Bull Technology Limited,
Building 1, Bradbourne Drive,
Tilbrook, Milton Keynes,
MK7 8BJ;

Renault Sport Racing Limited,
Whiteways Technical Centre,
Enstone, Oxfordshire,
OX7 4EE;

Haas Formula LLC,
4001 Haas Way, Kannapolis,
North Carolina 28081, United States of America;

Mercedes-Benz Grand Prix Limited,
Operations Centre, Brackley,
Northamptonshire, NN13 7BD;

McLaren Racing Limited,
McLaren Technology Centre,
Chertsey Road, Woking, Surrey
GU21 4YH;

Williams Grand Prix Engineering Limited,
Grove, Wantage, Oxfordshire,
OX12 0DQ,

(collectively the “**Engineering Suppliers**”, and each an “**Engineering Supplier**”), and

Formula One Research, Engineering and Development Limited
No.2 St James’s Market, London,
SW1Y 4AH (the “**Facilitator**”)

Attention: [REDACTED]

27 July 2020

Dear [REDACTED],

BlueSky/Remora

The Minister for the Cabinet Office on behalf of the Crown (“**we**” or the “**Customer**”) refers to our Letter of Commitment dated 27 March 2020 to Project Pitlane (care of Darwood IP Ltd)

and the design work carried out and components and equipment purchased by the Engineering Suppliers in accordance with that Letter of Commitment for the purposes of the Ventilator Challenge Project known as the "BlueSky Project" (the "**Project**").

This letter sets out the terms for the conclusion of the Facilitator's and the Engineering Suppliers' involvement in the Project. Please confirm agreement to these terms by arranging for a copy of this letter to be countersigned and returned following which we shall arrange for the payments specified in paragraph 2 below to be made to the Facilitator on the understanding that the Facilitator will in turn pay each Engineering Supplier the correct amounts due to it, in full and final settlement of all or any sums due to the Facilitator and the Engineering Suppliers in connection with the Project.

It is hereby acknowledged by the Customer, the Engineering Suppliers and the Facilitator (the "**Parties**" and each a "**Party**") that several of the Engineering Suppliers and the Facilitator may be or have been involved in other projects similar to or with the same objectives as the Project but that this letter relates only to their respective involvement in the Project. Any other involvement with the Customer in connection with any other Covid-19 related project(s) shall be subject to separate terms and conditions.

Whereas:

A The Customer acknowledges and accepts that: (a) the Facilitator and the Engineering Suppliers normally operate in the motor-racing industry and therefore have no experience of or in the medical industry and no experience or expertise in the designing of medical and healthcare products and equipment; and (b) the services provided by the Facilitator and the Engineering Suppliers in connection with the Project (the "**Services**") have been solely (i) as a result of the Customer's appeal to various industries for assistance in connection with the Project; and (ii) in order to assist the Customer, as a national emergency measure, in responding to the Covid-19 crisis, and the Customer has accepted such Services in full knowledge of this, and accepts in all of the circumstances that the exclusions of liability set out in this letter are reasonable.

B The Customer wishes to remunerate the Facilitator and the Engineering Suppliers for their time and materials in connection with the Project and to acquire all rights to the intellectual property rights, components, materials, test kit and other cost components developed and/or purchased by the Engineering Suppliers in connection with the Project.

It is agreed between the Parties that:

- 1 To date, the Customer has paid £0 to the Facilitator in connection with the Project as against the total costs invoiced and agreed between the Parties to be payable, such total costs being the sum of £947,360 and £152,273, as set out in Schedule 1 (the "**Total Costs**").
- 2 In consideration for the provision of the Services and on the basis that the Facilitator and each Engineering Supplier meets its obligations as set out in this letter, the Customer shall pay to the Facilitator: (a) within 5 days of it returning a signed and dated copy of this letter, the amount of £947,360; and (b) promptly upon receipt by the Customer of such supporting documentation as it has reasonably requested in respect of the materials, test kit and other cost components or expenses shown in Schedule 1, the amount of £152,273 being the remaining balance of the Total Costs which on payment shall represent the satisfaction of all sums due to the Facilitator and each Engineering Supplier howsoever arising in connection with the Project. Upon receipt by the Facilitator of payment from the Customer, the Facilitator shall request each Engineering Supplier to send to the Facilitator a valid invoice for the corresponding amount payable to that Engineering Supplier. The Facilitator shall pay to each Engineering Supplier the relevant undisputed invoiced amount upon receipt of the relevant invoice from that Engineering Supplier. All amounts stated in this letter are exclusive of VAT which will be charged at the prevailing rate.
- 3 All intellectual property rights of any nature in any designs, inventions, materials or other results generated by or for each Engineering Supplier for or in connection with the performance of the Services ("**Results**"), including without limitation any registered intellectual property rights or any application for such registration, will vest in the Customer.
- 4 Each Engineering Supplier hereby assigns to the extent stated in paragraph 14 below all intellectual property rights in the Results to the Customer and shall take all necessary measures to secure that vesting provided that the Customer shall reimburse all reasonable costs incurred with the Customer's prior approval by each Engineering Supplier in the undertaking of all such necessary measures. On request by the Customer to an Engineering Supplier, that Engineering Supplier shall demonstrate to the Customer's reasonable satisfaction that, where it has

sub-contracted work relating to the Project, it has secured that vesting in the work performed by its sub-contractors.

- 5 Each Engineering Supplier shall deliver up to the Customer all Results which that Engineering Supplier has generated.
- 6 Subject always to paragraph 5 above, the Parties acknowledge and agree that as part of the Services it provided, the Facilitator hosted a shared IT website (the "**Site**") in order for the Engineering Suppliers to exchange information, including drawings and design specifications relating to the mechanical ventilators. Each Engineering Supplier confirms that, as far as it is aware, as at the date of this letter, the Site contains all documentation relating to the Results (the "**Documentation**") and the Facilitator confirms that the Site is structured in a reasonably logical manner. The Parties acknowledge and agree that the Customer requires access to the Site in order to access and download the Documentation. Accordingly: (a) the Facilitator grants to the Customer a royalty-free, perpetual, irrevocable and sole licence to use the Site solely for the purposes of accessing and downloading the Documentation contained in the Site; and (b) each Engineering Supplier grants the Facilitator the right for the Facilitator to grant the rights sub-licensed to the Customer pursuant to Paragraph 6(a) above. The Facilitator does not make any representation, warranty or commitment and shall have no liability whatsoever in relation to the accuracy, completeness, reasonableness or use of the Documentation, and no such representation or warranty is implied. The Facilitator does not warrant that the Customer's use of the Site in order to access and download the Documentation contained in the Site will be uninterrupted or error free and it is not responsible for any delays, delivery failures, or any other loss or damage resulting from the transfer of data over communications networks and facilities, including the internet, and the Customer acknowledges that the Site and accessibility of the Documentation may be subject to limitations, delays and other problems inherent in the use of such communications facilities.
- 7 The Customer agrees and shall maintain that, if at any point in time, the Customer or any person directly or indirectly authorised by or through the Customer develops and/or manufactures a mechanical ventilator device or any other medical device using any of the Services and/or the Results, then neither the Facilitator nor any of the Engineering Suppliers shall have the status or assume the role and responsibilities of "Legal Manufacturer" within the definition and meaning given to

that term in the EU MDD (Medical Devices Directive) and MDR (Medical Devices Regulations).

- 8 (a) Save for the obligations of the Facilitator and/or each Engineering Supplier pursuant to paragraphs 4, 5, 6, 12 and 16 of this letter only, the Customer hereby agrees that neither the Facilitator nor any Engineering Supplier (including, without limitation, their respective affiliates, employees, directors or officers) shall be liable under or in connection with this letter, the Project or the Services whether for breach of contract, negligence or otherwise and the Customer hereby waives any rights it may have (to the fullest extent permitted by law) to pursue any legal action against the Facilitator or any Engineering Supplier in connection with their respective involvement in the Project; and (b) for the avoidance of doubt, in the event of alleged breach by the Facilitator or an Engineering Supplier (each a **"Defaulting Party"**) of the relevant obligations specified in paragraph 8(a) above, the non-defaulting Facilitator and/or Engineering Suppliers shall not be jointly and severally liable for such breach, and no party shall have any liability for such breach save for the Defaulting Party (subject to such liability being established in the first instance and, if it is, where the Defaulting Party is an Engineering Supplier, its liability being capped at £70,000 in any event and where the Defaulting Party is the Facilitator, its liability being capped at £5,500 in any event).
- 9 Notwithstanding paragraph 8 above: no Party limits its liability (if any) to the other for fraud or for personal injury or death resulting from negligence (in the case of the Facilitator and the Engineering Suppliers, in the performance of the Services). No Party shall have any liability to the other under or in connection with this letter or the Project for any of the following types of losses: loss of profits; loss of business; loss of contracts; loss or depletion of goodwill; loss of anticipated savings; or any indirect or consequential loss.
- 10 The Customer shall indemnify each Engineering Supplier, each of its group companies, and each of its and their directors and officers, agents, including the Facilitator, and employees in respect of any claim made by a third party which results from the use made by the Customer or any person directly or indirectly authorised by or through the Customer of any product developed or manufactured using the Results and which is not a claim covered by paragraph 11 below.
- 11 In respect of each Engineering Supplier and the Facilitator (each a **"Counterparty"** for the purposes of paragraphs 11 to 14 (inclusive)), the Customer shall assume all

liability for, and shall indemnify and keep indemnified that Counterparty, its group companies, and its and their directors and officers, agents and employees against liability, including that Counterparty's costs, as a result of, any claim made by a third party for infringement by that Counterparty or its sub-contractors of any patent or other intellectual property right in the performance of the Project when such infringement arises from or is incurred by reason of that Counterparty or its sub contractors: (a) following any specification, statement of work or instruction required by the Customer in connection with the Project; or (b) using, keeping, modifying or disposing of any item given by the Customer for the purpose of the Project (an "**IP Claim**"). This indemnity is given subject to the Customer promptly being given control of the defence of any IP Claim and that Counterparty and its group companies providing such reasonable cooperation as may be required by the Customer, at the Customer's cost, with regard to such defence.

- 12 Subject to paragraph 14 below, as soon as the relevant Counterparty becomes aware of the following in respect of the Services it has provided, it shall notify the Customer (and provide reasonable details) of the same:
- a. any registered intellectual property rights or application for registered intellectual property rights forming part of and/or relating to the Results;
 - b. any invention or design which may be the subject of a patent or registered design (or application therefor) owned by a third party which appears to be relevant to the use by the Customer of anything assigned or delivered under this letter;
 - c. any restriction as to disclosure or use, or obligation to make payments in respect of any other intellectual property rights (including technical information) required for the subsequent use by the Customer of anything assigned or delivered under this letter; and
 - d. any allegation of infringement of intellectual property rights made against that Counterparty or its sub-contractors and which pertains to the Project or subsequent use by the Customer of anything required to be assigned or delivered under this letter.
- 13 If, under paragraph 12 above, a relevant invention or design is notified to the Customer by a Counterparty after the date of this letter, then: (a) if any third party takes or threatens in writing to take any relevant action against that Counterparty or its sub-contractors, the Customer shall issue to that Counterparty a written authorisation for use of the relevant invention or design for the purposes of the

Project, in accordance with the provisions of Sections 55 and 56 of the Patents Act 1977, Section 12 of the Registered Designs Act 1949 or Section 240 of the Copyright, Designs and Patents Act 1988, and (b) in any event, unless that Counterparty and the Customer can agree an alternative course of action, the Customer shall not unreasonably delay the issue of a written authorisation for use of the relevant invention or design for the purposes of the Project, in accordance with the provisions of Sections 55 and 56 of the Patents Act 1977, Section 12 of the Registered Designs Act 1949 or Section 240 Copyright, Designs and Patents Act 1988.

- 14 Notwithstanding anything to the contrary in this letter: (a) it shall not form part of the Project for any Counterparty to carry out searches or make enquiries with third parties as to the existence of intellectual property rights of third parties (other than providing reasonable details of relevant intellectual property rights of which it is aware pursuant to paragraph 12 above) that shall or may be infringed by the performance of the Project or use of the Results by the Customer; and (b) no Counterparty makes any representation or gives any warranty under or in connection with this letter concerning non-infringement of such intellectual property rights.
- 15 The Facilitator and each Engineering Supplier acknowledge that the Results comprise intellectual property and confidential information belonging to the Customer, and that they may not be further used or disclosed to third parties without prior written permission from the Customer. The Facilitator and/or each Engineering Supplier may request a licence to commercialise the Results. Following any such request, the Customer will give reasonable consideration to granting a non-exclusive licence of such intellectual property rights to the Facilitator and/or each Engineering Supplier (as applicable) on fair and reasonable terms to be agreed in writing.
- 16 The Customer may request a licence of any intellectual property rights owned by an Engineering Supplier which is necessary to use and/or commercialise the Results. Following any such request, the relevant Engineering Supplier will give reasonable consideration to granting a non-exclusive licence of such intellectual property rights to the Customer on fair and reasonable terms to be agreed in writing.
- 17 On or around 16 April 2020, each Engineering Supplier delivered all components and items of equipment purchased by it for the Project as agreed and set out in the annexed Schedule 1.

- 18 Each Engineering Supplier hereby confirms that it has transferred title in all of the components and items of equipment in the annexed Schedule 1 with full title guarantee and free of any charge, pledge, lien, title retention or any other security agreement or arrangement to the Customer.
- 19 Each Engineering Supplier hereby assigns to the Customer the full benefit of all its interests in and its rights under or arising out of the warranties it has received in respect of each of the components and items of equipment in Schedule 1 from their respective suppliers together with all rights for the Customer to sue or take action in respect of the said warranties.
- 20 Each Engineering Supplier shall provide all reasonable assistance that may be required by the Customer as owner of the components and equipment and assignee of the warranties in paragraph 19 above or any relevant third party to obtain all necessary consents and approvals from the relevant suppliers necessary to give effect to the assignment of the warranties.
- 21 Without limitation to paragraph 20 above, each Engineering Supplier hereby authorises and permits the Customer to act as its agent to the full extent required to enable the Customer to secure any necessary data, documentation or other information relating to the components and equipment from the relevant suppliers.
- 22 The Customer may assign, novate or otherwise dispose of its rights and obligations under this letter without the consent of the Facilitator and Engineering Suppliers to another part of the Crown (meaning for these purposes the government of the United Kingdom, including but not limited to, government ministers, government departments, government offices and government agencies) provided and to the extent that does not prejudice any of the rights of the Facilitator and the Engineering Suppliers set out in this letter.
- 23 This letter may be executed in counterparts. A counterpart signature page of this letter executed by a Party and sent by facsimile or transmitted electronically in either Tagged Image Format Files (TIFF) or Portable Document Format (PDF) shall be treated as an original, fully binding and with full legal force and effect, and the Parties waive any rights they may have to object to such treatment.
- 24 The agreement set out in this letter and any dispute or claim arising out of or in connection with it or its subject matter or formation (including non-contractual disputes or claims) shall be governed by and construed in accordance with the law of

England and Wales. The Parties irrevocably submit to the exclusive jurisdiction of the English courts in respect of any dispute relating to this letter.

Please confirm agreement to the terms set out above by arranging for a copy of this letter to be signed, dated and returned to [REDACTED]

Yours sincerely,

For and on behalf of the Minister for the Cabinet Office

[REDACTED]

[REDACTED]

Government Chief Commercial Officer

The Facilitator and each Engineering Supplier hereby agrees to and accepts the terms set out in this letter.

For **Formula One Research, Engineering and Development Limited**

Signature: [REDACTED]

Print Name: [REDACTED]

Job Title: Director

Date: 27/07/2020

For **Red Bull Technology Limited**

Signature: [REDACTED]

Print Name: [REDACTED]

Job Title: Team Principal

Date: 20 July 2020

For Renault Sport Racing Limited

Signature:

Print Name:

Job Title:

Date:

For Haas Formula LLC

Signature:

Print Name:

Job Title:

Date:

For Mercedes-Benz Grand Prix Limited

Signature:

Print Name:

Job Title:

Date:

Job Title:

Date:

For **Renault Sport Racing Limited**

Signature:

Print Name:

Job Title: Managing Director

Date: 24 July 2020

For **Haas Formula LLC**

Signature:

Print Name:

Job Title:

Date:

For **Mercedes-Benz Grand Prix Limited**

Signature:

Print Name:

Job Title:

Date:

Job Title:

Date:

For **Renault Sport Racing Limited**

Signature:

Print Name:

Job Title:

Date:

For **Haas Formula LLC**

Signature:

Print Name:

Job Title: *Chief Operating Officer*

Date: *7-23-20*

For **Mercedes-Benz Grand Prix Limited**

Signature:

Print Name:

Job Title:

Date:

Job Title:

Date:

For Renault Sport Racing Limited

Signature:

Print Name:

Job Title:

Date:

For Haas Formula LLC


Signature:

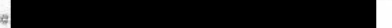
Print Name:

Job Title:

Date:

For Mercedes-Benz Grand Prix Limited

Signature: 

Print Name: 

Job Title: COO / GENERAL COUNSEL

Date: 23/7/20

For **McLaren Racing Limited**

Signature: ..  ..

Print Name: ..  ..

Job Title: .. Group Legal Director & Company Secretary ..

Date: .. 23 July 2020 ..

For **Williams Grand Prix Engineering Limited**

Signature: ..

Print Name: ..

Job Title: ..

Date: ..

For **McLaren Racing Limited**


Signature:

Print Name:

Job Title:

Date:

For **Williams Grand Prix Engineering Limited**

Signature:

Print Name:

Job Title: General Counsel

Date: 21 July 2020

Schedule 1 - F1 Submitted costs and materials to be transferred

F1 Submitted Costs									
	RBR	Renault	McLaren	Haas	Mercedes	FOM			
Staff costs (capped)							→	Total staff costs	£947,360
Materials									
Test Kit									
External Testing									
Certification									
Consultation									
Other									
Totals									
Total Design Phase						£1,099,633		Total Design Phase	£1,099,633