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T.J.SMITH AND NEPHEW,LIMITED
Company number: 00093994
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United Kingdom,
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29 March 2020

Dear Mr [REDACTED], VP Wound Management

RE: Oxvent Ventilators – Letter of Commitment

Many thanks to you and your team for the excellent efforts that you have put into responding to the crucial Ventilator challenge. We are delighted that your product shows promise and would like to give you and your supply chain confidence to continue. Specifically:

- Subject to gaining Medicines and Healthcare products Regulatory Authority (MHRA) approval we commit to buying all volume you can produce by the end of 17th April 2020, up to an initial limit of 6000
- We would like to support you as you activate your supply chain and we urge these manufacturers to prioritise components that can be used to produce ventilators. A letter has been prepared as such which we will share with you if required.
- We would like to help you get any support you need to work with MHRA.
- This is subject to open book accounting and a cost plus pricing structure of unit costs plus a profit rate to be agreed, capped at [REDACTED] %.
- We expect any pre-payment agreed for set-up and component costs shall be offset against the price of the units delivered and invoiced for, and any parts shall remain the property of the Authority until such time as the offset takes place.

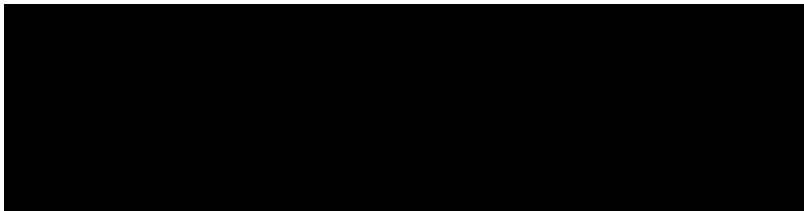
It would be helpful, therefore, if you could send me a commercial proposal setting out proposed terms of business - if you need support with this, let us know. In this could you ensure you confirm:

- Your commitment to prioritising volume for purchase by the UK Government until our confirmed demand has been met.

- A commitment on volumes up until 17 April 2020, and a view of your potential schedule of production.
- Your proposed pricing structure.
- How much you will have spent before you know whether the product will be approved.
- What other help you will need from us.

On receipt of these, my commercial team will work with you to finalise contracts.

Very kind regards,



Government Chief Commercial Officer.