



Cabinet Office  
1 Horse Guards Road  
London  
SW1A 2HQ

Penlon Limited  
Abingdon Science Park  
Barton Lane  
Abingdon  
OX14 3NB

26 March 2020

Dear [REDACTED],

**RE: Ventilators - confirmation of order for 5,000 units**

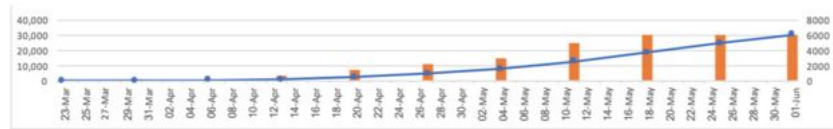
Cabinet Office and Penlon are in discussions with regard to the manufacture and supply of 5,000 ES02 Emergency ICU Ventilators at a cost of £30,770,000.00 (ex. VAT). Please see the order table below detailing the Purchase Order number and invoicing details.

Serial	Description	Quantity	Delivery	Price (ex. VAT)	Order Detail	Payment Process
1	ES02 Emergency ICU Ventilator	5,000	Delivery in accordance with the embedded Manufacturing Output Plan with last delivery no later than w/c 4 May 2020.	£30,770,000.00	ES02 Emergency ICU Ventilator (Air Driven Variant)	Invoiced weekly, per units delivered.  Send invoices quoting PO Number: [REDACTED] addressed to The Minister for the Cabinet Office of 1 Horse Guards Road, London SW1A 2HQ to the following email addresses: [REDACTED] copying in [REDACTED]

Cabinet Office has already supplied Penlon with £[REDACTED] to cover set-up and liquidity costs and an additional [REDACTED] for the long lead time components to be used for manufacturing these and future units. The cost of these parts shall be offset against the price of the units delivered and invoiced for, and shall remain the property of the Authority until such time as the offset takes place.

Invoice payment is contingent on adherence to the embedded Output Manufacturing Plan, with the last delivery invoice to be placed no later than w/c 4 May 2020.

## Manufacturing Output plan

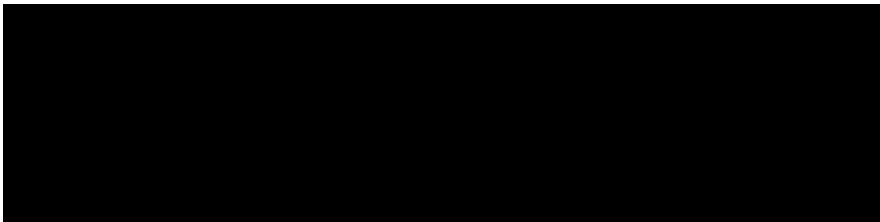


Penlon Output Plan

Plan							5,000	
Week no.	0	1	2	3	4	5	6	30,000 target expected by end week 12
Week Comm.	23-Mar	30-Mar	06-Apr	13-Apr	20-Apr	27-Apr	04-May	
Volume	-	30	50	500	1,000	1,500	2,000	
Cumulative	-	30	80	580	1,580	3,080	5,080	
	Phase 1 : Crank Penlon			Phase 2 : Split Site			Phase 3 : Multi-site	

The purchase order is placed subject to the terms of the NHS terms and conditions (purchase order version) for the supply of goods and are attached to the covering email of this letter for your ease of reference, to the exclusion of all other terms.

Very kind regards,



[Redacted Name]

Government Chief Commercial Officer