

Lockington, Elliott (SPAC/PSPC)

From: Bennett Little <benlittle@facetedproducts.com>
Sent: May 8, 2020 10:35 AM
To: Kusnick, Chelsea (SPAC/PSPC)
Subject: May 8/2020 further to yesterday's email
Attachments: fda kn95 manufacturer list.pdf

Importance: High

Chelsea, good morning (well, it is snowing but, other than that....:-))

I just wanted to update you on the China situation and to show you how static systems don't work in this kind of environment.

I had mentioned previously that there were 74 accredited manufacturers of KN95 masks. That being said, just like a famous steakhouse restaurant (remember what those were???) can offer a fish dish, it doesn't necessarily mean that one should order it. The analogy is that there were 74 factories but that doesn't mean that all had the same standards – they should have had at least the minimums but that doesn't mean that they actually did or that they subsequently maintained them. I remember once going to a hotel in Wenzhou, China, that was literally the best that I had ever been in anywhere – fantastic everything....and they only had a 4-star rating. A year later they were deservedly awarded the 5th star. Two years after that, the hotel was so bad that you would give them only 3 if you were being generous – how could it fall so far so fast? Well, they got the 5th star and, once it's awarded (there), there's no follow up and so no incentive to keep doing (and spending) what they did.

We are very careful of who we do business with – as I said, my office assiduously verifies everything according to a checklist I devised and I double-check the information and conclusions. The legitimate FDA certification is, for us, only the starting point as inspectors come and inspectors go – as of today (China time), a new listing from the FDA came out, a copy of which I have attached for your convenience. 81% of the companies on the previous list, 60 out of the 74, were summarily dropped, leaving just 14 accredited factories.

All of the companies that we approved are on the list of 14 and, tellingly, none of our suppliers were dropped. That's what I get paid for. Furthermore, in China there is no such thing as 'grandfathered' – any orders being shipped, never mind processed, by those dropped companies are going to be stopped by the Chinese Government for 'inspection'. And that small amount of production availability that I previously mentioned

has now essentially disappeared as those who are on the ball will only be dealing with those 14.

Interesting times. Have a good weekend.

Keep and stay safe,

Bennett