

July 12, 2017

U.S. Army
Attention: Barry M. Datlof, Director
Medical Technology Transfer
Medical Research and Materiel Command
504 Scott Street MCMR-JA
Fort Detrick MD 21702

Dear Mr. Datlof:

Sanofi Pasteur, the vaccines division of Sanofi, and the Department of Defense have successfully collaborated to further our shared public health responsibility over the past two decades with respect to diseases of importance globally and to the military, including Japanese encephalitis, HIV, ETEC, *Shigella*, malaria and others. It is our intent to use our strengths and resources in the fight against Zika virus.

I am writing to you today to clarify an apparent misunderstanding about Sanofi's commitment to fair pricing for the Zika vaccine candidate we are developing in collaboration with the Walter Reed Army Institute of Research (WRAIR). Recent media reports have suggested that during the course of our ongoing confidential negotiations to license intellectual property from WRAIR related to a Zika vaccine-candidate, we rejected a "fair pricing" proposal from the US Army. While it is unclear what or who is the source of this information, Sanofi Pasteur did not reject a specific fair-pricing term proposed by WRAIR as part of the licensing negotiations. While we discussed pricing in general, both parties recognized it is premature to set pricing terms at this stage for a technology that will require substantial financial and intellectual capital with no guarantee of a marketable vaccine. Instead, together we are pursuing terms that would provide compensation to the Army based on realized returns from a successful product, which could be significant for the Army.

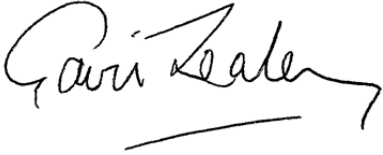
Numerous organizations are developing Zika vaccines, including many with federal funding and support. However, despite the fact that Sanofi Pasteur was the only organization to step forward to partner with WRAIR, we continue to believe that the Army's inactivated Zika vaccine is among the best candidate vaccines for the public as it can be deployed in a timely manner. In short, we continue to be proud to partner with WRAIR to address this potential public health crisis.

Successful development, manufacture, and distribution of any vaccine requires the input and resources of many organizations. Despite the ongoing mischaracterizations in the media, we want to assure you that Sanofi Pasteur remains focused on bringing to bear our experience in flavivirus R&D, as well as our expertise in all relevant vaccine development fields, including product scale up and manufacturing, clinical and assay development, clinical immunology, quality control/assurance, and health economics/epidemiology as well as our cGMP production, product testing and release and clinical immunology laboratory facilities in the fight against Zika.

Sanofi Pasteur is committed to leveraging its flavivirus vaccine development and manufacturing expertise to deliver a Zika vaccine in a responsible way to communities that may want or need access, as has been our business practice over Sanofi Pasteur's 120 year heritage.

We appreciate the discussions we have had with you and your team regarding our application for an exclusive license and we hope to resume discussions regarding open items in the very near future.

Best regards,

A handwritten signature in black ink that reads "Gavin Zealey". The signature is fluid and cursive, with a long horizontal stroke extending from the end of the name.

Gavin Zealey
Senior Director
Business Development
Sanofi Pasteur