

Memorandum'

From: VP Strategy

To: Sarah Hughes COO NewCo

Subject: URGENT

As you know our headset partner has just abruptly informed us that they intend to declare bankruptcy. This puts the headset and so the consumer ability to use our software at risk.

Our agreement with the partner specifies that in the event of such a problem the rights to the headset revert to us. We are legally covered, but operationally exposed. Though thankfully we arranged back-up supply.

Currently headsets are being produced and shipped as normal. Given our rights ownership we can transfer production to the back-up. However, we need to ensure ongoing development, and most important access to distribution partners. Current contract will be honoured but in the period of trying to own the market we need further support. I have assembled an emergency team and have paced William Grant in charge of working out the legal side while Grace Hopkins will lead the acquisition of new distribution partners.

Attached is a list of possible partners.

Regards

Attachment

LISTS OF POTENTIAL Partners

Insert table of main market

Insert table of sub-segments