

MEMORANDUM

From: Henry Morgan

To: VP Logistics NewCo

Subject: Production Outsourcing

I have read the recommendations from LOGISTICS ADVISORS INC and seen their suggested list of suppliers. I know several of these suppliers from past work and reputation. The list seems sufficient and comprehensive.

I would like you to open negotiations:

Henry

Attachment

LOGISTICS ADVISORS INC

Ref: VP Logistics NewCo

Dear Henry,

Set out below is the short list of outsourcers for production of the virtual reality equipment you specified.

All of these suppliers are known to us. Our recommended list is based on our past experiences and the recent updating of our records. We interviewed each candidate company; all expressed interest in the potential proposal at the volume and prices as specified.

All candidates are able to meet the projected volume requirements for assembly and have a well-established supply network

PRODUCTION PARTNERS: SHORTLIST

The candidates on this shortlist were evaluated according to the following criteria

- Their non-binding cost of sales percentage estimate
- Reputation for quality and on-time delivery. Range 1-5, 5 high
- Reputation as a supply partner: Range 1-5, 5 high
- Labor ethics (child labor, working conditions etc.) Range 1-5, 5 high

Name	Cost of sales % (est)	Reputation for Quality & Delivery	Reputation as Supply Partner	Labor ethics
HiTech Inc	25	4	5	5
BRC Ltd	23	4.5	4	3
BRNM Inc	24	4.2	5	4
CAST Ltd	26	3	3	5
JOHN GmbH	22	4.7	4	3
TRUFO Inc	26	3.5	3	5