Ian , sorry I was in meetings all day,, I drafted the following , excuse the numbers and typos .. we should talk about my conversation today,, regarding conflicts. Sloppy docs. And jonathan view that you want to invest in two passive entities and may also be contemplatin g a share based fee , from some of the investor cos/

1. As a general matter, the form of the draft Investment Letter is sloppy. Paragraphs are not numbered. It fails to consider some of the folloiwing ;

2. The draft Investment Letter is addressed to Hedosophia Alpha Limited ("HAL"), and is purportedly from an investor. However, it is signed by Ian Osborne for his company and "accepted" by Jacob Burda for his company. The Investment Letter should be addressed to HAL, signed by the investor and accepted by HAL (rather than Jacob's or Ian's company) through one or more Directors of HAL, as may be required by UK law. It is my understanding that each of Ian and Jacob are intending to be Directors of HAL and each of the companies are intending to be the shareholders/joint venturers of HAL, but I do not know if either of their companies are providing funds for the Internet related investments, or are just managing the money of others, and I don't know if this Investment Letter is meant to be used by third parties other than Ian's and Jacob's companies?

3. The aggregate of the investments to be received by HAL is stated in the draft Investment Letter to be between $50 MM and $80 MM. Is $50 MM a minimum aggregate investment amount? Does that mean that if HAL does not raise $50 MM of investments, then it will not begin its investment activities and will return the money invested? If so, will the money be held in Escrow until HAL raises the minimum? Who is holding the Escrow? By what date must the minimum be raised? Will there be a closing? What will be the closing procedures?

4. How will the investments be evidenced? Notes? Certificates? This draft Investment Letter appears to be just an agreement by an investor to invest and does not appear to be a document evidencing payment of the investment or acceptance of the payment.

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7. The Investment proposition paragraph in the draft Investment Letter states that any moneys not invested by January 31, 2013 are to be returned to investors in proportion to the amounts they transferred to the company?
Too long if all to be invested in 6 months,

8. Regarding the paragraph in the Investment Letter dealing with Restrictions on investments by Directors:

- The restrictions are stated to be applicable "Until the funds of the Company have been fully invested needs as they arise. I would suggest that the language read "Until all the investment funds transferred by the Investors to the Company have been invested,"

- In addition, the parenthetical "(or, if later, the final investment date)" seems to indicate that it is possible that the restrictions on investment may remain in effect until some later date called "the final investment date," but there is no indication as to how that later date is to be established.
- From the perspective of an investor, I am not sure that it gives any comfort that the Directors are permitted to make "passive investments" in third-party managed internet-related funds. How is the passive, non-management aspect to be assured? This makes no sense,, too many conflicts Nor is the exception to the restrictions on investment to allow the Directors to receive share-based compensation from internet companies for advisory or consultancy services of much comfort to an Investor in HAL. An outside investment deal could easily be structured as a consultancy to avoid violating the Restriction on Investments. Too many conflicts
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9. In the paragraph of the draft Investment Letter entitled "No fees/expenses:", the second sentence provides that "These expenses will be met through funds provided to the Company by its shareholders." It is not perfectly clear to which antecedent "These expenses" relates (i.e., does it relate to expenses of the company or transaction costs in respect of making or realising investments"). Common sense dictates that this is intended to relate to expenses of the company other than transaction costs, but it should be drafted more clearly. Rather than "These expenses", I would provide "Expenses other than such transaction costs". In addition, at the end of the third sentence it is provided that no "investment advisory fee will be paid by the Company to any person." Since "person" is not defined in the draft Investment Letter, to be clear the third sentence should state that no "investment advisory fee will be paid by the Company to any person **or entity**."

10. In the paragraph of the draft Investment Letter entitled "Reporting obligations", there should be included an obligation that the annual reports be audited by the UK equivalent of a public accounting firm. There should also be more of a description regarding what "information in respect of the Investments" the quarterly letters should include. They should be full quarterly financial reports and qualitative and quantitative investment reports. Also, are there any rights of Investors to inspect the books and records relating to investments by the HAL? If you don't specify any rights, does UK law provide them by default? If so, does there need to be some limitation on inspection rights provided for in the draft Investment Letter?

11. Related to the above issues of reporting and inspection, what restrictions should be included to protect proprietary rights and confidentiality?

12. There is no discussion in the draft Investment Letter regarding transferability of the investment. Should there be any restrictions?

13. Should any offering restrictions be included in the letter (e.g., to make sure no violation of US securities laws, investment company laws or investment adviser laws?)

14. Are there any representations and warranties that need to be made by investors under UK securities laws?

15. What if one or both Directors become incapacitated or die? Should this not constitute a termination event causes the fund to terminate? This should be clearly provided for.

16. In the second paragraph in the section in the draft Investment Letter entitled "Return on Investments", is it practicable or realistic for the termination mechanism to be exclusively a distribution in-kind remaining portfolio seurities on the "Termination Date? Will this always be permitted by the portfolio company? Should there be a wind up and liquidation period? If both Directors die or become incapacitated resulting in a Termination Date, should there be some kind of Investor Advisory committee that could oversee liquidation and distribution?

17. There should be exculpation and indemnity provisions in the Investment Letter to protect Ian and Jacob from liability?

JOINT VENTURE LETTER

1. Again this Joint Venture Letter is sloppy and does not appear to have sufficiently thought through issues.

2. Paragraph 1(A) – "Death"

- Where it is provided "held by the party connected with the deceased Director", the term "party" should be capitalized, so it is interpreted to mean the defined term "Party".
- The idea that the Joint Venturer/shareholder that is not connected with the deceased Director gets to exercise all voting rights with respect to all issues on behalf of the Joint Venturer/shareholder connected with the deceased Director does not make sense. The non-connected shareholder could potentially make decisions that are favorable to the non-connected shareholder and adverse to the interests of the shareholder connected to the deceased Director. At the very least, there needs to be an exception preventing the non-connected shareholder from making decisions that are materially adverse to the interests of the shareholder connected to the deceased Director. If this is intended to address investment related decisions only, then this may be ok, if the investors are not expecting that death of one

Director is a terminating event, which requires in-kind distributions of all remaining portfolio assets. If it is a terminating event, then probably need to limit decisions and actions that can be taken by the surviving Director.

3. What if both Directors die at the same time, e.g., in a plane crash. How are operating and investment decisions to be made in that case? If both Directors die, who will continue to operate the Company even if it is just to distribute portfolio assets in kind to Investors? Should the death of either Director cause a termination of the Fund? Just Ian's?

4. Paragraph 2 – "Incapacity" - What does it mean to say a Director is incapacitated to "carry out his responsibilities as a shareholder" of HAL? The Directors of HAL are not its shareholders. Entities owned by those Directors are the shareholders. So, even if a Director of HAL that is connected to one of the shareholder entities becomes incapacitated, as a technical matter the incapacitated Director's shareholder entity may have other directors who can make decisions for that shareholder entity. So the "inacapacity" should not be determined by reference to the inability to act as a shareholder of HAL. It should just say that if the Director is incapacitated in the more general sense – see comment 5 below – then paragraph 2(A) triggers.

5. Paragraph 2(A) – Please see the comments in points 2 and 3 above relating to death of Directors. The comments are equally applicable in the case of the incapacity of Directors as they are in the case of the death of Directors.

6. Paragraph 2 defintion of "Incapacity" – Permits a registered medical practitioner who is treating the Director to make the decision about a Director's incapacity. What if there is a disagreement over incapacity? Should there be a provision to challenge to the determination of Incapacity? How does a medical practitioner know what is required to be physically or mentally capable to act as a shareholder or Director? Should there be a more generalized standard of Incapacity that is not specifically tied to serving as a shareholder or director of companies? Also, will it always be possible for a medical practitioner to predict that the incapacity may remain for more than three months? Why that time period? If they need to make investment decisions immediately what if a Director is Incapacitated presently but won't be for 3 months? Should there be a similar determination that the Director has resumed his capacity to make decisions?

7. Deadlock/"Reasonable Endeavours" to Resolve/Call Option - should simply state that ian can buy Jacobs interest, at the following price,, Paragraph 3(A) provides that "In the event that a proposal is made by one Party or Director at either a shareholders' meeting or board meeting of the Company to which the other Party or Director does not agree within [7] days of such proposal being made (in each case being a "deadlock situation"), the Parties agree to use all reasonable endeavours to resolve the relevant deadlock situation within 14 days form the date [on] which the deadlock situation arose. Effectively this means that 21 days will pass while Jacob and Ian endeavor to resolve the deadlock. Paragraph 3(B) provides

that "If the Parties are unable to resolve the deadlock situation in accordance with Paragraph 3(A) above, then [Jacob's company] agrees to grant [Ian's company] a right to purchase (the "call option") all ordinary shares not owned by it at a price per share calculated in accordance with Paragraph 5 below." Thus, effectively 21 days of indecision must pass before Ian even has the right to purchase Jacob's shares. Is that too long? Is there some shorter period that should be applied in emergency situations – e.g., What if the two Directors can not agree on emergency follow on bridge financing required by one of HAL's portfolio companies to stave off a business failure and loss of the portfolio investment? If it takes 21 days before even Ian has the right to Call the shares of Jacob, this may be too long.

9. Call Option - There is no closing timeframe or provision relating to the closing mechanics for the call option. The call option provision in paragraph 3(B) provides only that if there is a deadlock (which will occur after 7 days), then 14 days after the deadlock, Ian is given a right to purchase Jacob's company's shares. How long will the purchase take? What are the closing procedures?

10. Call Option - Should every decisional deadlock result in a Call option in favor of Osborne's company? Potentially chaotic.

11. Call Option - Paragraph 3(B) - With respect to the call option, which takes place in a deadlock situation, Paragraph 3(B) provides that the call price is to be calculated "in accordance with Paragraph 5 below." However, there is no Paragraph 5 in the Joint Venture Letter; the call price calculation provisions are in Paragraph 3(C) of the Joint Venture Letter. This was very sloppy and confusing,

12. Paragraph 3(C) – Price Per Share Calculations for the Call Option - Who makes the calculations of the Call price? What about disagreements about the calculation? Should there not be an appraiser? Do we need a joint appointment process? Given that this only arises in the case of a Deadlock, this could create a potential for serious delay during which time decision making could be frozen. Need to give Ian some more decision making latitude, such that once the deadlock time has passed and Ian calls the shares, Ian then has exclusive decision making authority, even while the closing of the call option is pending and even if it is delayed as a result of call price disputes, etc.

13. What about transfer rights? Right of First Refusal? Non-transferability by Burda? Etc.?

15. What happens to Joint Venture if Ian acquires all the shares? Does that result in a Termination Date for HAL as an investment fund? What if Ian becomes incapacitated or dies, will that result in a Termination Date for HAL as an investment fund? What about Jacob? The question is whether both have to be alive and in full capacity for HAL to continue on as an investment fund?

16. There is no provision for confidentiality, ownership of proprietary property, use of proprietary information, non-solicitation and non-competition in the Joint Venture Letter.

17. There probably should be an exculpation and indemnity provision in the Joint Venture Letter itself.