

JOINT VENTURE LETTER

[•] February 2012

From: **I.W.Osborne [] Limited** of [] with registration number []

To: **Argosophia GmbH** of Schackstrasse 1, 80539 Munich, Germany with registration number HRB 196266, each being a "**Party**" and together being the "**Parties**"

This letter sets out the arrangements between the Parties in the event of death or incapacity of either Ian Osborne or Jacob Burda (each being a "**Director**" and together being the "**Directors**") or a deadlock situation (as defined below) in respect of **Hedosophia Alpha Limited** (the "**Company**").

1. **Death:** In the event of the death of one of the Directors, each Party agrees that:

- (A) the voting interest, in respect of the ordinary shares in the Company ("**ordinary shares**") held by the party connected with the deceased Director (the "**Deceased Director Party**"), will be exercisable by or on behalf of the other Party and will not be exercisable by or on behalf of any other person, including, but not limited to, the estate of the Deceased Director Party; and
- (B) the ownership (including the economic interest) of the ordinary shares held by the Deceased Director Party will otherwise remain with the Deceased Director Party.

2. **Incapacity:** In the event of the incapacity of one of the Directors to carry out his responsibilities as a director of the Company, each Party agrees that:

- (A) the voting interest, in respect of the ordinary shares held by the party connected to the incapacitated Director (the "**Incapacitated Director Party**"), will be exercisable by or on behalf of the other Party and will not be exercisable by or on behalf of any other person; and
- (B) the ownership (including the economic interest) of the ordinary shares held by the Incapacitated Director Party will otherwise remain with such Incapacitated Director Party.

Incapacity of a Director shall mean that Director being certified by a registered medical practitioner treating such Director who gives a written opinion stating that such Director has become physically or mentally incapable of acting as a director of the Company and may remain so for more than three months.

3. **Deadlock:**

- (A) 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 from the date which the deadlock situation arose (and pending such resolution, no Party shall cast any vote attaching to its ordinary shares in favour of the proposal).
- (B) If the Parties are unable to resolve the deadlock situation in accordance with paragraph 3(A) above, then Argosophia GmbH agrees to grant I.W.Osborne [] Limited (and any subsequent transferee of all ordinary shares held by it) a right to purchase (the "**call option**") all of the ordinary

shares held by Argosophia GmbH for an amount to be determined in accordance with paragraph 3(C) below.

- (C) In order to calculate the amount payable in respect of the call option, there shall first be determined:
- (i) the cash held by the Company, excluding: (a) any cash represented by loan capital provided by investors and either not yet invested or owing to investors; and (b) any investments held by the Company, less the liabilities of the Company including, but not limited to, the projected amount of expenses of the Company (the "**Net Cash Value**"); and
 - (ii) the value of the securities of the companies in which the Company has invested and continues to hold securities (the "**investments**") using: (a) the most recent issue of new securities by, or sale of existing securities in, those companies which, subsequent to each such investment made, was in respect of no less than 0.5 per cent. of the issued equity securities of the company concerned (being, for each investment, its "**valuation**"); or (b) in the event that an investment did not have a valuation, the most recent issue of new securities by, or sale of existing securities in, such investment(s) (such aggregate amounts being the "**Investments Amount**").

Reflecting Argosophia GmbH's 50 per cent. interest in the Company, the amount payable for the call option will be 100 per cent. of the Net Cash Value plus 30 per cent. of the Investments Amount, with the Investments Amount being reduced by the amount of capital provided to the Company by investors less any amounts of capital returned to investors (the "**Capital Amount**"), all of which is divided by 2, as expressed in the formula below:

$$\frac{\text{Net Cash Value} + (0.3 \times (\text{Investments Amount} - \text{Capital Amount}))}{2}$$

4. **Law:** This letter is governed by and construed in accordance with English law. The Parties submit to the exclusive jurisdiction of the English courts in connection with all proceedings and disputes arising in connection with this letter (including non-contractual proceedings and disputes).

Please sign below to acknowledge your acceptance of these terms.

Yours sincerely,

For I.W.Osborne [])
 Limited by)
 Ian Osborne, Director

Accepted:

For Argosophia)
 GmbH by)
 Jacob Burda, Director