

May 13, 2019

Dear

I am disappointed to have to communicate that due to business reasons, the Company will cease operations and close its Santa Clara corporate headquarters presently located at 4555 Great America Pkwy Suite 201, Santa Clara, California 95054. It anticipates doing so (and on a permanent basis) not later than June 14, 2019, but it is likely that the Company will begin to terminate the employment of certain non-essential positions as early as this week. ¹ As a result of this notice, you should expect that your employment with the Company will terminate not later than June 14, 2019. There is no provision in the Company for transfer, bumping, or reassignment.

The Company is actively continuing to pursue financing and other strategic transactions that might allow it to avoid closing its Santa Clara site. In fact, the Company has received, and the Board of Directors is currently considering two letters of intent submitted by two different entities. At this juncture, however, because the potential financing that until very recently appeared to be certain is now unlikely to materialize, the Company believes that the most prudent course of action is to provide you with this notice under the requirements of the WARN Acts.

The Company regrets that it was not able to give you more notice regarding its decision to cease operations in Santa Clara, and the resulting decision to terminate your employment. The business circumstances leading to these very difficult decisions were not reasonably foreseeable. Specifically, the Company has been seeking capital for some time via debt financing to allow it to continue operating for the foreseeable future. It was actively doing so for several months. The negotiations were progressing well, and because the Company had entered into a term sheet with the party expected to provide the financing sought, it believed that it would receive funding sometime in May or June of 2019. Together with the cash the Company already had in its possession, it did not believe there would be any need for the actions it must now take and did not believe any notice of termination to its employees was necessary or required.

¹ The Company will employ only a small number of employees following the plant closing date to assist with an orderly winding down of Company operations.



The Company's objective of securing sufficient financing to continue its operations without significant disruption or employee terminations was significantly hindered by the Company's extremely poor results in the first quarter of fiscal 2020 (ending April 30, 2019). Our Q1 results were not only disappointing, but also unexpected. While the reasons for the results are not entirely understood, they were at least in part due to the sudden, last minute, and unexpected postponement of several customers' timelines to make a purchasing decision.

Based on the Company's significantly underperforming business results in the first quarter, on Monday, May 6, 2019, the party providing the finance informed management that it was no longer interested in providing to the Company the financing it anticipated receiving. Because of the sudden, and unforeseen, loss of financing presented by the party's decision, the Company immediately redoubled its efforts to pursue other potential financing options, as well as explore possible merger or acquisition transactions that it believed could avoid the necessity of ceasing operations and terminating your employment. The Company believed that providing notice otherwise required under the state and federal Worker Adjustment and Retraining Notification ("WARN") Acts to its Santa Clara employees in the midst of these efforts would significantly jeopardize the Company having success with respect to its pursuit of its financing and business transactions.

The Company appreciates the contributions that you have made during the course of your employment and hopes that you will continue working for the Company during this transition period under the existing terms and conditions of your employment, which include the right of either party to terminate the employment relationship at will.

The summary of benefits and requirements listed below is intended to assist you when you determine that it is appropriate to pursue new employment opportunities.

- Special Severance Benefits. For those employees who are willing to continue their work with the Company under existing terms and conditions until the date of the conclusion of the position, who execute the Company's standard release, and who return all Company property, the Company will provide a severance payment of two weeks' salary.
- 2. <u>Health Insurance Coverage</u>. Your health insurance coverage will continue until the last day of the month in which your employment with the Company concludes. Additional insurance benefits are available as



- described below in Section 3. A complete explanation of your severance compensation package will be provided by Human Resources.
- 3. <u>COBRA Benefits</u>. You are entitled to continue certain of your benefits at group rates pursuant and subject to COBRA. Details on your COBRA eligibility will be mailed to your home address.
- 4. <u>Company Property</u>. All company property that is in your possession either on or off Company premises must be accounted for and returned to either your supervisor or the IT department by the last day of your employment.
- 5. <u>Expense Reimbursements</u>. Prior to the conclusion of your employment, you are responsible for submitting for reimbursement any Company-related expenses.

If you have any questions, or would like further information regarding the above, please do not hesitate to contact Cindy Arthur, VP of Human Resources, at carthur@mapr.com or (408) 914-2390 ext. 5025, or your supervisor.

John Schroeder

CEO, Chairman & Founder