

KEY EMPLOYEE INCENTIVE PLAN AND NON-INSIDER RETENTION PLAN

On September 10, 2015, NewZoom, Inc. (the “Company”) filed a voluntary petition for relief under chapter 11 of title 11 of the United States Code in the United States Bankruptcy Court for the Northern District of California. Prior to the chapter 11 filing, the Company has agreed with its senior secured lender, MIHI LLC (“MIHI”) to (a) pursue the confirmation of a chapter 11 plan of reorganization on an accelerated timetable (the “Plan”) and (b) obtain debtor in possession financing pursuant to an agreed budget of income and expenses to be approved in both interim and final orders of the Bankruptcy Court (the “DIP Budget”).

Accomplishing the goal of confirming the Plan while working within the final DIP Budget are essential tasks of Company’s key employees, and tasks they were not asked to accomplish before the Company’s recent insolvency. To incentivize these key employees of the Company (identified below), the Board hereby resolves to implement a non-insider retention plan (“KERP”) as well as an incentive plan (the “KEIP”), on the conditions described below.

The KERP covers 13 non-insider employees, none of whom are officers or hold executive level positions (the “Eligible KERP Employees”). A list of the Eligible KERP Employees is found on **Exhibit A**. The KEIP covers four executive-level employees (the “Eligible KEIP Employees”). A list of the Eligible KEIP Employees is also found on **Exhibit A**. Collectively, they shall be known as the “Eligible Employees.”

The Eligible Employees are experienced and talented individuals that are intimately familiar with the Company’s businesses. Further, they possess significant, highly marketable industry expertise. If any of the Eligible Employees were to resign before the Plan is confirmed, it would be difficult, time consuming and expensive for the Company to attract and hire qualified replacements, and this could significantly impair the Company’s operations. This issue is particularly acute as such attrition could occur at a time when retaining and focusing key talent is essential for a successful reorganization. As such, the Plan is essential to the Company’s continued operations and ultimate emergence from bankruptcy.

Historically, the Company has been able to hire and retain personnel such as the Eligible Employees using competitive salaries, benefits, and an options program. However, the Company believes that the bankruptcy filing and other recent events have negatively impacted their ability to retain the Eligible Employees. First, the bankruptcy filing has created an atmosphere of uncertainty as to employees generally. The Eligible Employees specifically are concerned that more workforce downsizings may occur. Second, the bankruptcy filing has rendered the stock options held by the Eligible Employees worthless, and could potentially reduce compensation due to a lack of payouts from performance bonuses. Third, many of the Eligible Employees have taken on significant additional duties and responsibilities following the bankruptcy filing. These factors have greatly increased the risk that other companies, including competitors, may successfully recruit the Eligible Employees, the Company’s most talented and experienced operating personnel. In order to maintain the consistency that is crucial to achieving positive operating results, and ultimately a successful reorganization, the Company has developed the KERP and KEIP.

Retention Goals for KERP

The amounts of the retention payouts designated for the Eligible KERP Employees are as set forth on **Exhibit A** (the “Retention Payouts”). Each Eligible KERP Employee shall earn and be entitled to receive the full amount of his or her Retention Payout on the Trigger Date, so long as he or she is employed by the Company on such date. As used herein, “Trigger Date” shall mean the earliest of: (a) December 18, 2015, (b) the date that an order confirming a plan of reorganization is entered by the Bankruptcy Court (a “Plan Approval”), and (c) the closing date for a sale of substantially all of the Company’s assets pursuant to Bankruptcy Code section 363 (an “Asset Sale”).

Notwithstanding the foregoing, if an Eligible KERP Employee’s employment with the Company is terminated prior to the Trigger Date without Cause (as defined below), or due to death or disability, then such Eligible KERP Employee shall earn and be entitled to receive the Retention Payout on the Trigger Date.

As used herein, “Cause” means any of the following reasons: (a) the commission of any act of fraud, dishonesty, embezzlement or similar act against the Company or any of its subsidiaries; (b) unauthorized use or disclosure of any proprietary information or trade secrets of the Company or any of its subsidiaries or any other party to whom an Eligible Employee owes an obligation of nondisclosure as a result of a relationship with the Company or any of its subsidiaries; (c) material breach of any obligations under any written agreement or covenant with (or made for the benefit of) the Company or any of its subsidiaries, provided that an Eligible Employee will have ten (10) days to cure such material breach to the extent that it is curable; (d) conviction (including any plea of no contest) of a felony or a crime involving moral turpitude; (e) failure or inability to perform any assigned duties after written notice from the Company of, and a 10-day opportunity to cure, such failure or inability; or (f) gross negligence or willful misconduct in the performance of any duties to the Company or any of its subsidiaries that has resulted or is likely to result in damage to the Company or any of its subsidiaries.

Payments under the KERP are subject to and conditioned upon approval of the KERP by the Bankruptcy Court presiding over the Company’s chapter 11 case. If Bankruptcy Court approval is not obtained, the KERP shall be null and void and the Company will have no obligation to make the payments under the KERP.

Except as provided herein, payments under the KERP will be in lieu of any other post-petition performance bonus or retention compensation otherwise payable to the Eligible KERP Employees by the Company. Payments under the KERP shall not be in lieu of any severance payments (if any) that may be due and owing to an Eligible KERP Employee pursuant to any severance plan approved by the Bankruptcy Court or pursuant to an employment agreement between the Eligible KEIP Employee and the Company (collectively, “KERP Severance Payments”).

Except as otherwise provided herein, upon approval of this KERP by the Bankruptcy Court, the Eligible KERP Employees, in consideration of the benefits offered hereunder, shall release the Company and all of the Company’s present or former directors, shareholders, officers, agents, financial advisors, attorneys, employees, partners, affiliates, representatives and their respective property from any and all claims and causes of action which the Eligible KERP Employees may have in connection with their employment by the Company in any capacity whatsoever, including as board members and/or officers of the Company, and including, but not limited, to any claim or cause of action the Eligible KERP Employees may have for unpaid salary, commissions and any

claims arising under any employment agreement by and between any Eligible KERP Employee and the Company (the “Claims”), provided, however, that the foregoing shall not operate as a waiver of or release of any Claims that an Eligible KERP Employee may have for claims against the Company for (a) payment of wages earned by the employee but which remain unpaid, (b) Retention Payments earned and due under this KERP, (c) indemnification that arises from such employee’s status, to the extent applicable, as an officer or director of the Company pursuant to applicable law and/or pursuant to an indemnification agreement between such employee and the Company or (d) KERP Severance Payments.

Performance Goals for KEIP

The amounts of the incentive payouts designated for the Eligible KEIP Employees are as set forth on **Exhibit A** (the “Incentive Payouts”). Each Eligible KEIP Employee shall earn and be entitled to receive his or her Incentive Payout as follows:

- (a) Fifty percent (50%) of the Incentive Payout shall be earned and payable on the Trigger Date, so long as (i) the Eligible KEIP Employee remains employed by the Company on such date and (ii) the Company has complied with the DIP Budget through and as of the Trigger Date (excluding any non-compliances that have been waived or subsequently cured); and
- (b) Fifty percent (50%) of the Incentive Payout shall be earned and payable upon either a Plan Approval or an Asset Sale, so long as the Eligible KEIP Employee remains employed by the Company upon such date.

Notwithstanding the foregoing, if an Eligible KEIP Employee’s employment with the Company is terminated without Cause, or due to death or disability, prior to either of the payment events set forth above, then the requirement that the employee remain employed as of the applicable payment event shall not apply.

Payments under the KEIP are subject to and conditioned upon approval of the KEIP by the Bankruptcy Court presiding over the Company’s chapter 11 case. If Bankruptcy Court approval is not obtained, the KEIP shall be null and void and the Company will have no obligation to make the payments under the KEIP.

Except as provided herein, payments under the KEIP will be in lieu of any other post-petition performance bonus or retention compensation otherwise payable to the Eligible KEIP Employees by the Company. Payments under the KEIP shall not be in lieu of any severance payments (if any) that may be due and owing to an Eligible KEIP Employee pursuant to any severance plan approved by the Bankruptcy Court or pursuant to an employment agreement between the Eligible KEIP Employee and the Company (collectively, “KEIP Severance Payments”).

Except as otherwise provided herein, upon approval of this KEIP by the Bankruptcy Court, the Eligible KEIP Employees, in consideration of the benefits offered hereunder, shall release the Company and all of the Company’s present or former directors, shareholders, officers, agents, financial advisors, attorneys, employees, partners, affiliates, representatives and their respective property from any and all claims and causes of action which the Eligible KEIP Employees may have in connection with their employment by the Company in any capacity whatsoever, including as board members and/or officers of the Company, and including, but not limited, to any claim or cause of action the Eligible KEIP Employees may have for unpaid salary, commissions and any claims arising under any employment agreement by and between any Eligible KEIP Employee

and the Company (the “Claims”), provided, however, that the foregoing shall not operate as a waiver of or release of any Claims that an Eligible KEIP Employee may have for claims against the Company for (a) payment of wages earned by the employee but which remain unpaid, (b) Incentive Payments earned and due under this KEIP, (c) indemnification that arises from such employee’s status, to the extent applicable, as an officer or director of the Company pursuant to applicable law and/or pursuant to an indemnification agreement between such employee and the Company or (d) KEIP Severance Payments.

[Signature Page Follows]

This KERP and KEIP will constitute the entire agreement among the Company and the Eligible Employees and will replace and supersede any and all prior agreements, promises, proposals, representations, understandings and negotiations among the parties.

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EXHIBIT A

I. Eligible KERP Employees and Retention Payments

REDACTED

II. Eligible KERP Employees and Incentive Payments

REDACTED

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