WIND-DOWN PLANNING (WDP)

Company Overview

Assidium Registry LTD forms part of the Assidium / Risk101 group and is thus protected to some extent by the income flows of the group as a whole, which provides cross-cost benefits. The business model is to lease out financial risk management software (being Risk101 and Assidium) on a monthly or quarterly basis. Software lease fees include base-level support on a broad-stroke basis, so as to reduce accounting fees.

This Wind-down Plan spans the Assidium Registry as well as the Assidium and Risk101 functions.

1. Scenarios which would require the activation of the wind-down plan:
    a. significant financial losses with no signs of timely recovery
    b. loss of key clients without the realistic prospect of replacing them in good time
    c. loss of critical infrastructure (eg essential IT systems) with no signs of timely recovery
    d. loss of key management staff
    e. Legal risks
    f. Security risks

2. Decision-makers to activate the wind-down plan must *all* be in agreement:
    a. CEO
    b. CFO
    c. Board

3. Wind-down mandates: The action plan must function in accord with these principles at all times:
    a. Client responsibilities:
        i. Minimise inconvenience and losses to remaining customers
        ii. Honour existing contracts until they expire, keeping customers fully informed of the situation
        iii. Negotiate the transfer of currently active credits to an alternative registry

    b. Cost minimisation:
        i. End all and any rental commitments asap
        ii. Terminate all data vendor relationships asap

    c. Excellent and responsible communication:
        i. Inform staff as soon as a plan is in place
        ii. Inform clients as soon as possible (see point 3a)

        iii. Inform accountants as soon as possible
        iv. Get legal counsel as soon as possible

4. Advantages of current business model with respect to enforced wind-down:
    a. All software used in-house is purchased not rented
    b. No mortgages or company debt other than long-term shareholder loans which would be used where required in the wind-down.
    c. Costs are shared across business units e.g. server rentals

5. Disadvantages and risks of current business model with respect to enforced wind-down:
    a. Potential for unforeseen legal fees
    b. Insolvency practitioner fees
    c. Staff termination payments
    d. Termination period costs for all types of rental contracts, and any consultant retainers