

Memo

RE: Reminders about “house-keeping” items

DT: January 10, 2006

FR: Werner Martin, President/CEO

To: all staff

Action required: read and remember

Deadline: immediately

1. Important memos on LEAP website

Memos such as the one about BioMachines and the New Year 06 will be stored on the website. I will instruct Erik to create a folder where any memo of a certain importance in corporate matters will be stored. This way you will always find it later for review.

2. 401k

Since there are plenty of horror stories about 401k retirement accounts in the general news I thought it is important for you to know how LEAP's is set up and why it is different.

The money that goes into your 401k account is yours right away. There is immediate “vesting”. Other companies have a vesting schedule that gives the employee with each year in the company an increased percentage. Not at LEAP. The same is true for the money that LEAP will put into your account at the end of the year (profit sharing match). The matching works like this. LEAP determines what kind of matching it can afford. This year we match 2% of your gross salary. But if you did not put into the 401k the amount that represents 2% of your gross salary, LEAP will put in what you put in, not more.

The investment of that money is done through Charles Schwab on-line, by phone or by going to their next office (there is one in Chapel Hill). Again LEAP does not limit you where to invest. It is your money and where you invest is your decision.

Let me know if you would like us to have an instruction session, maybe over lunch sometime, when we can show you how to interact with the Schwab website. In no way would LEAP staff advise you where to invest! But if employees want to share experience with some of their investment get together, outside of office hours please!

3. Further Education

As has always been noted in the employee benefit sheet (see newest version attached!) LEAP encourages further education. How does LEAP support that? LEAP either will pay the fees or allow the employee to attend classes or seminars on company time. It is important that the employee makes one of the two commitments. All education arrangements need to be approved unless you do it outside company

hours and the benefit is solely for you. If the education is to gain know-how needed to perform your job assignments, LEAP can make exceptions to above rules.

4. Employee Commitment and Benefit sheet

Please read attached revised sheet. Feedback is not a requirement but is highly appreciated.