

**UNITED STATES  
 SECURITIES AND EXCHANGE COMMISSION  
 Washington, D.C. 20549**

**FORM S-1  
 REGISTRATION STATEMENT  
 UNDER  
 THE SECURITIES ACT OF 1933**

**CAMBIUM NETWORKS CORPORATION**  
 (Exact name of Registrant as specified in its charter)

Cayman Islands  
 (State or other jurisdiction of  
 incorporation or organization)

3663  
 (Primary Standard Industrial  
 Classification Code Number)

Not Applicable  
 (I.R.S. Employer  
 Identification Number)

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 (888) 863 5250

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**Approximate date of commencement of proposed sale to the public:** As soon as practicable after the effective date of this Registration Statement.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box.

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer  Accelerated filer   
 Non-accelerated filer  (Do not check if a smaller reporting company) Smaller reporting company   
 Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 7(a)(2)(B) of the Securities Act.

**CALCULATION OF REGISTRATION FEE**

Title of Each Class of Securities to be Registered	Proposed Maximum Aggregate Offering Price(1)(2)	Amount of Registration Fee
Ordinary Shares, par value \$ _____ per share		

(1) Estimated solely for the purpose of computing the amount of the registration fee pursuant to Rule 457(o) under the Securities Act of 1933, as amended.

(2) Includes the aggregate offering price of any additional ordinary shares that the underwriters have the option to purchase.

**The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.**

The information in this preliminary prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This preliminary prospectus is not an offer to sell these securities and we are not soliciting an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

Subject to completion, dated \_\_\_\_\_, 2018

Preliminary Prospectus

**shares**



**Cambium Networks**

## Ordinary shares

This is an initial public offering of ordinary shares by Cambium Networks Corporation. Prior to this offering, there has been no public market for our ordinary shares. It is currently estimated that the initial public offering price will be between \$ \_\_\_\_\_ and \$ \_\_\_\_\_ per share.

We have applied for listing of our ordinary shares on the Nasdaq Global Market under the symbol "CMBM."

We are an "emerging growth company" as that term is used in the Jumpstart Our Business Startups Act of 2012, or the JOBS Act, and as such, have elected to comply with reduced public company reporting requirements for this prospectus and may elect to do so in future filings.

After the completion of this offering, we will be a "controlled company" within the meaning of the corporate governance standard of the Nasdaq Global Market because Vector Capital will own \_\_\_\_\_ % of our then outstanding ordinary shares. See "Prospectus summary—Controlled company status," "Principal shareholders" and "Risk factors—Risks related to this offering and ownership of our shares."

	Per share	Total
Initial public offering price	\$ _____	\$ _____
Underwriting discounts and commissions <sup>(1)</sup>	\$ _____	\$ _____
Proceeds to Cambium Networks, before expenses	\$ _____	\$ _____

(1) See "Underwriting" for additional information regarding total underwriter compensation.

Cambium Networks has granted the underwriters an option for a period of 30 days to purchase up to \_\_\_\_\_ additional ordinary shares at the initial public offering price less underwriting discounts and commissions.

Investing in our ordinary shares involves a high degree of risk. See "[Risk factors](#)" beginning on page 14.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.

The underwriters expect to deliver the ordinary shares to investors on or about \_\_\_\_\_.

**J.P. Morgan**

Deutsche Bank Securities

, 2018

Raymond James

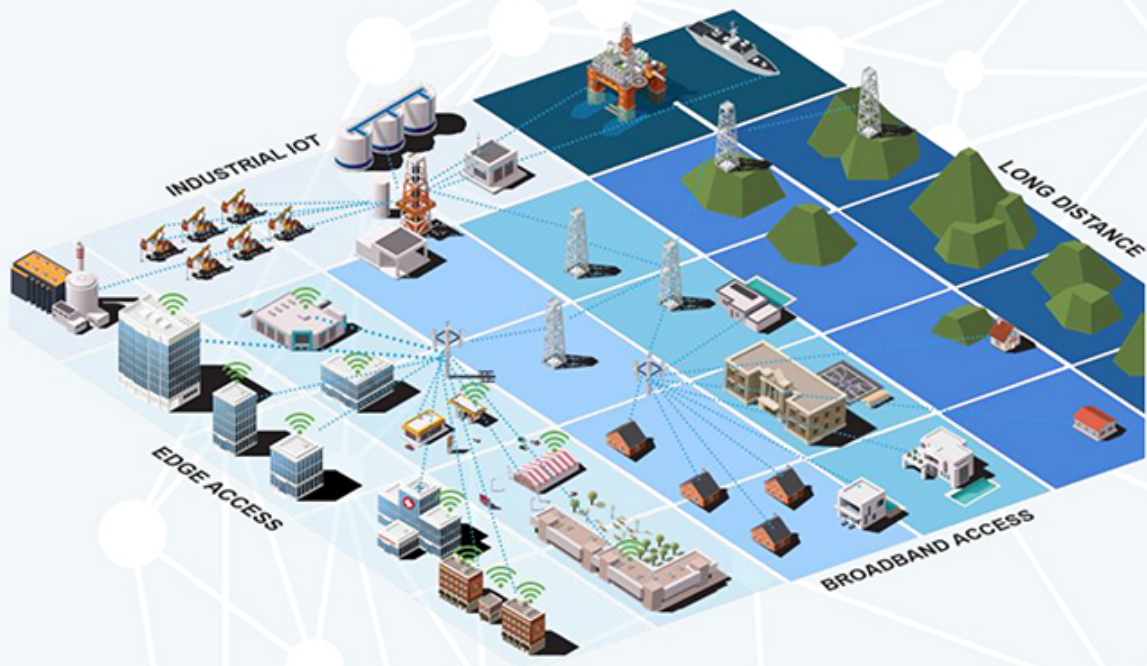
**Goldman Sachs & Co. LLC**

JMP Securities

Oppenheimer & Co.



**Cambium Networks**  
Connecting the unconnected



Large market opportunity

**\$9bn+**

Total addressable market

Large customer base

**10,000+**

Network operators

Rapid growth

**19%**

Revenue growth from 2016 to 2017

Significant scale

**\$217mm**

Revenue

All data is as of the year ended December 31, 2017

## Table of contents

	Page
<a href="#">Prospectus summary</a>	1
<a href="#">The offering</a>	10
<a href="#">Summary consolidated financial data</a>	12
<a href="#">Risk factors</a>	14
<a href="#">Cautionary note regarding forward-looking statements</a>	44
<a href="#">Market, industry and other data</a>	46
<a href="#">Use of proceeds</a>	47
<a href="#">Dividend policy</a>	48
<a href="#">Capitalization</a>	49
<a href="#">Dilution</a>	51
<a href="#">Selected consolidated financial data</a>	53
<a href="#">Management's discussion and analysis of financial condition and results of operations</a>	56
<a href="#">Letter from our Chief Executive Officer</a>	78
<a href="#">Business</a>	80
<a href="#">Management</a>	94
<a href="#">Executive compensation</a>	101
<a href="#">Certain relationships and related party transactions</a>	109
<a href="#">Principal shareholders</a>	112
<a href="#">Description of share capital</a>	114
<a href="#">Shares eligible for future sale</a>	128
<a href="#">Material tax considerations for U.S. holders</a>	131
<a href="#">Underwriting</a>	136
<a href="#">Legal matters</a>	143
<a href="#">Experts</a>	143
<a href="#">Where you can find additional information</a>	143

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You should rely only on the information contained in this prospectus and in any free writing prospectus we file with the Securities and Exchange Commission, or the SEC. We and the underwriters have not authorized anyone to provide you with information or make any representations different from that contained in this prospectus or any free writing prospectus we have prepared. We and the underwriters are offering to sell, and seeking offers to buy, our shares only in jurisdictions where offers and sales are permitted. The information in this prospectus is accurate only as of the date of this prospectus, or earlier date stated in this prospectus, regardless of the time of delivery of this prospectus or any sale of our shares.

Through and including \_\_\_\_\_, 2018 (the 25<sup>th</sup> day after the date of this prospectus), all dealers effecting a transaction in these securities, whether or not participating in this offering, may be required to deliver a prospectus. This delivery requirement is in addition to the dealers' obligation to deliver a prospectus when acting as underwriters and with respect to their unsold allotments or subscriptions.

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## [Table of Contents](#)

*For investors outside the United States:* Neither we nor the underwriters have done anything that would permit this offering or possession or distribution of this prospectus in any jurisdiction where action for that purpose is required, other than in the United States. Persons outside the United States who come into possession of this prospectus must inform themselves about, and observe any restrictions relating to, the offering of the shares and the distribution of this prospectus outside of the United States.

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“Cambium,” “Cambium Networks,” “cnPilot,” “cnMaestro,” “cnMedusa,” “Elevate,” “cnArcher,” “cnReach,” the Cambium logos and other trademarks or service marks of Cambium Networks, Inc. appearing in this prospectus are the property of Cambium Networks Corporation. This prospectus contains additional trade names, trademarks and service marks of others, which are the property of their respective owners.

## Prospectus summary

*This summary highlights selected information contained elsewhere in this prospectus. This summary does not contain all of the information you should consider before buying shares in this offering. Therefore, you should read this entire prospectus carefully, including the "Risk factors" section beginning on page 14, "Management's discussion and analysis of financial condition and results of operations," and our consolidated financial statements and the related notes included elsewhere in this prospectus, before deciding whether to purchase our shares. Unless the context requires otherwise, the words "we," "us," "our," "the Company," "Cambium" and "Cambium Networks" refer to Cambium Networks Corporation and its subsidiaries.*

### Overview

We provide wireless broadband networking infrastructure solutions for network operators, including medium-sized wireless Internet service providers, enterprises and government agencies. Our scalable, reliable and high performance solutions create a purpose built wireless fabric which connects people, places and things across distances ranging from two meters to more than 100 kilometers, indoors and outdoors, at attractive economics.

Our wireless fabric includes intelligent radios, smart antennas, radio frequency, or RF, algorithms and our cloud-based network management software. Our embedded proprietary RF technology and software enables automated optimization of data flow at the outermost points in the network, which we refer to as the "intelligent edge." This intelligent edge offers network operators increased performance, visibility, control and management, as well as the ability to efficiently transfer large amounts of data back to enterprise data centers for fast and efficient analysis and decision-making even in conditions characterized by a high degree of interfering signals generated both within the network or from outside sources, which we refer to as noise.

Our solutions are deployed by medium-sized wireless Internet service providers and enterprises, including utility, petrochemical, military, state and local government, industrial and other network operators that use our technology to connect a wide range of network assets, from traditional offices to complex sensor networks. Network operators deploy our enterprise-grade solutions to take advantage of their scalability, intelligence, reliability, attractive economics and ease of deployment:

- **Superior outdoor scalability.** Our solutions scale to greater density for outdoor applications because of their leading spectral efficiency.
- **Embedded network intelligence.** Our solutions have embedded intelligence, utilizing software and RF algorithms that work together to optimize network performance. This intelligence allows networks to adapt and evolve as network requirements vary, environments change and network footprints grow over time.
- **Reliable wireless connectivity in congested environments.** Our solutions deliver superior reliability enabled by our technology's frequency reuse capabilities, embedded dynamic spectrum optimization and dynamic filtering abilities.
- **High quality at attractive economics.** Our solutions improve economics for network operators by supporting a large number of customer premise equipment, or CPE, per access point while providing enterprise-grade performance and quality. We reduce ongoing management costs through device reliability and embedded software that independently manages and resolves network performance issues.
- **Ease of deployment and simplicity to scale the network.** Network operators can utilize our cloud-based software to help design, install and manage their networks from cloud-to-tower-to-edge. Our cloud-based

network management software offers full lifecycle management of a network through a single pane of glass, reducing the complexity of network operations and the onboarding of large numbers of devices.

Our products are typically deployed by medium-sized service providers, such as wireless Internet service provider networks serving from 5,000 to over 200,000 subscribers, enterprise networks and sensor heavy industrial networks. We estimate that medium-sized Internet service providers contributed approximately half of our revenues in 2016 and 2017.

We market and sell our solutions through our global channel partner network, which drives a substantial majority of our revenues. We sell our solutions as one-time sales, although a majority of our revenues in a given period typically is generated by purchases from network operators that have previously purchased our products. Growth from these network operators is driven by expansion within existing networks and in new territories, replacement of competitor products with our solutions, deployment of new and incremental use cases and, in the case of local governments, mandates to offer fixed broadband wireless to all of their citizens.

We have experienced rapid revenue growth over the last several years and we have shipped more than three million devices since 2012, including over one million in 2017, to more than 10,000 network operators in over 145 countries. For 2016 and 2017, our revenues were \$181.4 million and \$216.7 million, respectively. During the same periods, our net income was \$2.9 million and \$9.8 million, respectively. In the three months ended March 31, 2017 and 2018, our revenues were \$48.8 million and \$58.5 million, respectively. During the same periods, our net income was \$2.8 million and our net loss was \$0.2 million, respectively.

## Our industry

According to Cisco Visual Networking Index, wireless mobile data traffic is expected to grow at a compound annual growth rate of 44% from 2017 to 2021. We believe that growth in data traffic will be predominantly driven by the proliferation of connected devices, applications and sensors for both service provider and enterprise use cases. For example:

- Consumers are using connected devices to access cloud applications, stream media-rich content and connect to friends and family utilizing wireless connectivity.
- Enterprises are increasingly deploying their own wireless broadband infrastructure to provide individuals access to corporate networks, data centers and cloud applications.
- Industrial enterprises are using wireless broadband to help replace periodic, manual system monitoring with hundreds of wireless sensors and cameras that can monitor key production activities in real-time for safety, productivity and security. For example, wireless connectivity is allowing industrial enterprises real-time comprehensive monitoring of operations across a field of onshore facilities or offshore platforms to increase both the efficiency and safety of industrial operations.

The growing adoption of wireless networks is driving massive amounts of data that is being analyzed locally at the edge or at enterprise or cloud data centers. This requires greater wireless connectivity to capture and evaluate the data locally or to backhaul large amounts of data to a data center. Local operations centers or distant corporate data centers must also communicate with the edge devices to optimize operations.

Many existing wireless solutions are limited by their ability to deliver real-time adaptability, scalability, efficient use of spectrum, network reliability and economical use cases:

- **Limited real-time adaptability.** Wireless network footprints are continually changing due to individuals moving within a network, rapidly changing environments in an industrial footprint and expanding use cases



or functionality. Many wireless solutions lack the software and RF technology to continually optimize performance of rapidly evolving network infrastructure and in noisy conditions.

- **Lack of network scalability.** Current wireless solutions often struggle to scale primarily because they lack end-to-end management capabilities and integrated RF algorithms in the software. Software is required to efficiently plan, synchronize and optimize large-scale deployments of wireless broadband, while mitigating self-interference. Existing solutions are typically provisioned manually and managed by spreadsheets or management tools developed by customers internally. Real-time, efficient management requires embedded software and technology capable of optimizing network performance at the edge in varying environmental conditions.
- **Inefficient use of spectrum.** Many existing solutions do not contain data path optimization technologies that allow for efficient use of frequency channels and available spectrum. This leads to performance degradation and limits the number of users and devices to which the network can deliver quality access.
- **Lack of network reliability in areas with congested signals.** Many existing solutions struggle with interference in high noise environments because they cannot reuse frequencies to expand available channels for traffic. These solutions also do not include software that identifies congested channels and automatically switches traffic to channels with less congestion. Inability to reuse frequencies or to recognize congested channels can degrade performance and limit available bandwidth.
- **Uneconomical for certain use cases.** Existing fixed wireless broadband solutions can be cost-prohibitive because of their inability to serve a high concentration of CPE without the deployment of a high number of access points. Additionally, many existing solutions fail because of a lack of software intelligence to foresee upcoming issues and an inefficient path to resolution for issues given limited services and support capabilities.

## Our solutions

Our Point-to-Point, or PTP, solutions are typically connected to high-speed, high-bandwidth wireline networks, and provide wireless broadband backhaul to facilities or Point-to-Multipoint, or PMP, access points deployed throughout a network over distances of more than 100 kilometers and at more than 2 Gbps. Our PMP solutions extend wireless broadband access from tower mounted access points to CPE providing broadband access to residences and enterprises covering wide areas with a range of 10 to 30 kilometers. Our cnPilot Wi-Fi solution provides distributed access to individual users in indoor settings, such as office complexes, and outdoor settings, such as athletic stadiums, over distances as short as two meters with high capacity. Our cnReach solutions offer narrow-band connectivity for sensors and devices at the network edge, typically over the last few meters. Our embedded proprietary RF technology and software enables automated optimization of data flow at the outermost points in the network.

## Our competitive strengths

We have a number of competitive strengths, including the following:

- **Wireless fabric that enables fast and efficient scalability.** Our solution allows network operators to densify their networks with incremental access points that scale subscriber support in a linear manner without compromise to quality of service.
- **Advanced RF signal algorithms.** Our RF algorithms drive network performance by employing technologies such as frequency reuse, congestion-based channel switching and noise filtering.



- **Broad applicability of our wireless fabric.** Our technology has broad application across a wide range of connectivity use cases, and our core technologies underlying the wireless fabric offer broad extensibility to new markets such as Wi-Fi and Industrial Internet of Things, or IIoT, solutions.
- **Network management software platform built for scale.** Our cloud-based network management software increases ease of deployment and usage through easy provisioning, configuration, monitoring and complete network visualization, with the ability to support over 100,000 devices.
- **Culture of constant innovation combined with high velocity product development and service.** We pride ourselves in our strong work ethic and focus on providing innovative products and first-class service to network operators. Our employees are united by our mission to eliminate the “digital divide” by building innovative products to connect underserved and developing communities.

## Market opportunity

The majority of our revenues today come from PTP and PMP solutions. According to Sky Light Research, the PTP Microwave market is expected to grow from \$3.1 billion in 2017 to \$4.2 billion through 2021. According to QYResearch, the PMP market is expected to grow from \$0.5 billion in 2017 to \$0.9 billion in 2025. We entered the Wi-Fi market in 2016 and it has become a meaningful portion of our revenues. According to IDC, a market research firm, the enterprise WLAN market is expected to grow from \$5.8 billion in 2017 to \$7.6 billion through 2022. Combining these served markets, our addressable market in 2017 exceeded \$9 billion. In 2017, we introduced our cnReach IIoT products, and while the market remains at an early stage of development, we believe this market presents significant commercial opportunities.

## Our growth strategy

The key elements of our growth strategy include:

- **Continue investment in wireless fabric while expanding into new markets.** We are investing in our wireless fabric technology to expand the breadth of our solutions and to take advantage of new frequencies and communications standards.
- **Expand our software capabilities.** We will continue to invest in our embedded software capabilities which include GPS synchronization, dynamic optimization and filtering technologies that facilitate the intelligent edge. We also plan to invest in cnMaestro, our cloud-based network management software platform, to improve functionality, ease of deployment and operations.
- **Drive greater penetration in our existing base.** We intend to work collaboratively with key network operators to evaluate new use cases as these network operators expand their geographical footprint into new territories and increase their deployment of our products.
- **Deepen and expand channel and network operator relationships.** We intend to deepen and expand our relationships in our channel which currently includes over 4,000 channel partners and received CRN Magazine’s five star rating in 2017 and 2018, which is its highest ranking awarded.
- **Position portfolio to take advantage of proliferation of higher-speed wireless connectivity.** We intend to continue investing in and positioning our portfolio to pursue opportunities in high density environments as these markets move toward fixed wireless technology that is differentiated by reliability in congested environments.

## **Risks related to our business and this offering**

Investing in our shares involves risks. You should carefully consider all the information in this prospectus prior to investing in our shares. These risks are discussed more fully in the section entitled "Risk factors" immediately following this prospectus summary. These risks and uncertainties include, but are not limited to, the following:

- Our operating results can be difficult to predict and may fluctuate significantly, which could result in a failure to meet investor expectations or our guidance and a decline in the trading price of our shares.
- The introduction of new products and technology is key to our success, and if we fail to predict and respond to emerging technological trends and network operators' changing needs, we may be unable to remain competitive.
- Competitive pressures may harm our business, revenues, growth rates and market share.
- We rely on third-party manufacturers, which subjects us to risks of product delivery delays and reduced control over product costs and quality.
- We rely on distributors and value-added resellers for the substantial majority of our sales, and the failure of our channel partners to promote and support sales of our products would materially reduce our expected future revenues.
- Our third-party logistics and warehousing provider may fail to deliver products to our channel partners and network operators in a timely manner, which could harm our reputation and operating results.
- Our or our distributors' and channel partners' inability to attract new network operators or sell additional products to network operators that currently use our products could adversely affect our revenue growth and cause our revenues to decrease.
- Our reliance on third-party components, including components from limited or sole source suppliers, to build our products.
- We generate a significant amount of revenues from sales outside of the United States, and we are therefore subject to a number of risks associated with international sales and operations.
- Our public shareholders will have limited influence over significant corporate actions because Vector Capital will continue to hold a controlling interest in us.
- Conflicts of interest could arise in the future between us and Vector Capital, including conflicts related to potential competitive business activities or opportunities, and the corporate opportunity provisions in our memorandum and articles of association, which gives Vector Capital and its affiliates the right to engage or invest in the same or similar business as us, and do business with any of our channel partners, distributors, network operators and any other party with which the Company does business, could enable Vector Capital to benefit from such opportunities without making them available to us.
- Our memorandum and articles of association contain anti-takeover provisions, such as a staggered board and the ability of the board to issue "blank-check" preferred shares, that could adversely affect the rights of our shareholders.

## **Corporate Information**

Cambium Networks was formed in 2011 as Vector Cambium Holdings (Cayman), Ltd., and changed its name to Cambium Networks Corporation in 2018. We conduct our business through Cambium Networks, Ltd., a company organized under the laws of England and Wales, and its wholly-owned subsidiaries. Cambium Networks Corporation holds no material assets other than Cambium Networks, Ltd. and its subsidiaries and does not engage in any business operations. Unless the context otherwise requires, we use “Cambium Networks” to refer to Cambium Networks Corporation and its subsidiaries throughout this prospectus.

Prior to this offering, we were a wholly-owned subsidiary of Vector Cambium Holdings (Cayman), L.P., which we refer to as VCH, L.P. throughout this prospectus. VCH, L.P. is, in turn, owned by Vector Capital and certain of its affiliates, which we refer to collectively as Vector Capital.

Our headquarters are located at Cambium Networks, Inc., at 3800 Golf Road, Suite 360, Rolling Meadows, Illinois 60008 and our telephone number is (888) 863-5250. You can access our website at [www.cambiumnetworks.com](http://www.cambiumnetworks.com). Information contained on our website is not part of this prospectus, is not incorporated in this prospectus by reference and the inclusion of our website address in this prospectus is an inactive textual reference only.

## **About Vector Capital**

Vector Capital is a leading global private equity firm specializing in spinouts, buyouts and recapitalizations of established technology businesses in both the private and public capital markets. Vector Capital strives to actively partner with management teams to develop and execute new financial and business strategies designed to materially improve the competitive standing of those businesses and enhance value for employees, customers and shareholders.

## **Recapitalization and return of capital**

Under the VCH, L.P. Limited Partnership Agreement, or the VCH LPA, Class A Units were issued to Vector Capital in exchange for cash investments, while Class B Units were used exclusively to underlie share-based compensation awards granted to our employees and other service providers. The VCH LPA provides, among other things, that any distributions paid by VCH, L.P. in respect of its equity be paid: (i) first, to holders of Class A Units in the form of an 8% yield on invested capital, (ii) second, to holders of Class A Units as a return of invested capital until all such capital has been returned and (iii) thereafter, ratably among holders of Class A Units and holders of share-based compensation awards, provided, that in the case of share-based compensation awards certain valuation thresholds of Cambium Networks assigned to such awards at the time of grant have been exceeded. As of March 31, 2018, there remained a balance of \$44.9 million of unreturned capital and accumulated yield payable to holders of Class A Units under the VCH LPA, which continues to accrue the 8% yield.

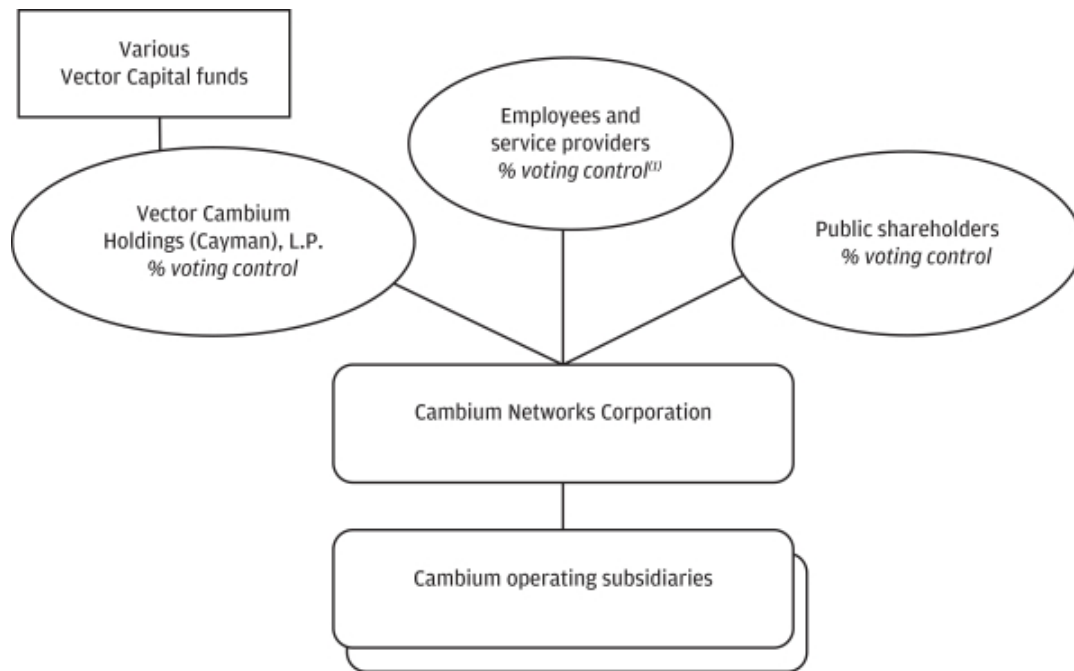
We have determined that as a public company it would be preferable that equity compensation awards for our employees and service providers be issued in respect of our ordinary shares, as opposed to units in VCH, L.P., as this would provide direct alignment of these incentive awards with the interests of our public shareholders. To accomplish this alignment, in connection with this offering we will effect a Recapitalization, which will be comprised of (i) increasing our authorized and outstanding shares and (ii) exchanging the vested share-based compensation awards for our shares and unvested share-based compensation awards for restricted shares or restricted share units issued by Cambium Networks, in each case on a value-for-value basis based on the price

to the public in this offering and after giving effect to the return to holders of Class A Units of the remaining unreturned capital and accumulated yield under the VCH LPA, which we refer to as the VCH Return of Capital. As part of the Recapitalization, prior to the completion of the share-based award exchange, we will declare a cash dividend payable to VCH, L.P. in an amount equal to the VCH Return of Capital as of the date of this prospectus, which dividend will be paid with a portion of the net proceeds of this offering immediately after the closing. The Recapitalization will have the effect of moving the relative pre-IPO economic ownership interests of our employees and service providers from VCH, L.P. to Cambium Networks Corporation, but will not otherwise affect our legal relationships with employees and service providers, all of whom will continue to be retained by us or our wholly-owned subsidiaries. After completion of the Recapitalization and this offering, we will neither be party to nor subject to any obligations under the VCH LPA.

Based on the share-based compensation awards outstanding and unreturned capital and accumulated yield due to holders of Class A Units as of March 31, 2018, assuming we sell shares in this offering at \$ \_\_\_\_\_ per share, the midpoint of the range on the cover of this prospectus, we would (i) pay VCH, L.P. a dividend of \$ \_\_\_\_\_ million, (ii) issue \_\_\_\_\_ million shares to former share-based compensation award holders, of which \_\_\_\_\_ million shares would be subject to vesting based on continuing employment with us and (iii) grant restricted share units in respect of \_\_\_\_\_ shares that would be subject to vesting based on continued employment with us. As a result of the Recapitalization, we expect to incur an aggregate compensation expense of \$ \_\_\_\_\_ million in the quarterly period in which we complete this offering, of which \$ \_\_\_\_\_ million will be non-cash and \$ \_\_\_\_\_ million will be in cash. See “Management’s discussion and analysis of financial condition and results of operations—Share-based compensation expense in connection with this offering.”

Except as otherwise indicated, all disclosure in this prospectus gives effect to the Recapitalization based on the mid-point of the offering price range on the cover of this prospectus. See “Use of proceeds” for more information.

The following chart summarizes our organizational structure and equity ownership immediately following the completion of this offering. This chart is provided for illustrative purposes only and does not represent all legal entities affiliated with, or obligations of, the company.



(1) Does not include shares subject to restricted share units issued in the Recapitalization.

**Emerging growth company**

The JOBS Act was enacted in April 2012 with the intention of encouraging capital formation in the United States and reducing the regulatory burden on newly public companies that qualify as emerging growth companies. We are an “emerging growth company” within the meaning of the JOBS Act. We may take advantage of certain exemptions from various public reporting requirements, including the requirement that we provide more than two years of audited financial statements and related management’s discussion and analysis of financial condition and results of operations, and that our internal control over financial reporting be audited by our independent registered public accounting firm pursuant to Section 404 of the Sarbanes-Oxley Act of 2002, or the Sarbanes-Oxley Act. We intend to take advantage of these exemptions until we are no longer an emerging growth company. In addition, the JOBS Act provides that an emerging growth company can delay adopting new or revised accounting standards until those standards apply to private companies. We have irrevocably elected not to avail ourselves of this exemption and, therefore, we will be subject to the same new or revised accounting standards as other public companies that are not emerging growth companies.

See the section titled “Risk factors—Risks related to our business.” We are an emerging growth company and the reduced disclosure requirements applicable to emerging growth companies may make our shares less attractive to investors due to certain risks related to our status as an emerging growth company.

### **Controlled company status**

Following the completion of this offering, we will be a “controlled company” under Nasdaq rules because more than 50% of the voting power of our shares will be held by Vector Capital. See “Principal shareholders.” We intend to rely upon the controlled company exemption relating to the board of directors and committee independence requirements under the Nasdaq listing rules. Pursuant to this exemption, we will be exempt from the rules that would otherwise require that our board of directors consist of a majority of independent directors and that our compensation committee and nominating and governance committee be composed entirely of independent directors. The “controlled company” exemption does not modify the independence requirements for the audit committee, and we intend to comply with the requirements of the Securities Exchange Act of 1934, as amended, or the Exchange Act, and Nasdaq, which require that our audit committee have a majority of independent directors upon consummation of this offering, and exclusively independent directors within one year following the effective date of the registration statement relating to this offering.

## The offering

<b>Shares offered</b>	shares
<b>Shares outstanding after this offering</b>	shares
<b>Option to purchase additional shares</b>	We have granted the underwriters an option for a period of 30 days after the date of this prospectus to purchase up to additional shares.
<b>Use of proceeds</b>	<p>The principal purposes of this offering are to create a public market for our shares, facilitate access to the public equity markets, increase our visibility in the marketplace, and obtain additional capital.</p> <p>We estimate that we will receive net proceeds from this offering of approximately \$ million (or approximately \$ million if the underwriter's option to purchase additional shares is exercised in full), based upon an assumed initial public offering price of \$ per share, which is the midpoint of the price range set forth on the cover page of this prospectus, after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us. We intend to use an aggregate of \$50.0 million of the net proceeds from this offering to return capital and accumulated yield and pay management fees owed to Vector Capital, and the remainder for working capital and general corporate purposes. We may also use a portion of the net proceeds from this offering to repay indebtedness under our credit facility. In addition, we believe that opportunities may exist from time to time to expand our current business through acquisitions of or investments in complementary products, technologies or businesses. While we have no agreements, commitments or understandings for any specific acquisitions at this time, we may use a portion of our net proceeds for these purposes. See "Use of proceeds" for more information.</p>
<b>Proposed Nasdaq Global Market symbol</b>	"CMBM"
<b>Risk factors</b>	See "Risk factors" and other information included in this prospectus for a discussion of factors you should carefully consider before deciding to invest in our shares.

The number of shares that will be outstanding after this offering is based on the number of shares outstanding as of March 31, 2018. This number excludes:

- shares subject to unvested restricted share awards;
- shares underlying restricted share units; and
- shares reserved for future issuance under our 2018 Share Incentive Plan.



Unless otherwise indicated, all information in this prospectus assumes:

- the filing and effectiveness of our Amended and Restated Memorandum and Articles of Association, which will occur immediately prior to the completion of this offering;
- no exercise by the underwriters of their option to purchase additional shares; and
- completion of the Recapitalization based on an assumed initial public offering price of \$ \_\_\_\_\_, the midpoint of the range on the cover of this prospectus.

## Summary consolidated financial data

The following tables provide our summary consolidated financial data and should be read in conjunction with “Management’s discussion and analysis of financial condition and results of operations” and our consolidated financial statements, related notes and other financial information included elsewhere in this prospectus. We have derived the summary consolidated statement of operations data for 2016 and 2017 and the consolidated balance sheet data as of December 31, 2017 from our audited consolidated financial statements appearing elsewhere in this prospectus. The summary consolidated statement of operations data for the three months ended March 31, 2017 and 2018 and the consolidated balance sheet data as of March 31, 2018 have been derived from our unaudited interim consolidated financial statements included elsewhere in this prospectus. Our historical results are not necessarily indicative of the results to be expected in the future, and the results for any interim period are not necessarily indicative of the results that may be expected in any full year.

(in thousands, except share and per share data)	2016	2017	Three months ended	
			2017	March 31, 2018
			(unaudited)	
<b>Consolidated Statements of Income Data:</b>				
Revenues	\$ 181,444	\$ 216,671	\$ 48,808	\$ 58,453
Costs of revenues	91,715	105,960	23,099	30,250
Gross profit	89,729	110,711	25,709	28,203
Operating expenses:				
Research and development	26,267	32,227	6,950	9,385
Sales and marketing	29,621	37,209	8,209	10,419
General and administrative	13,218	17,578	3,321	4,321
Depreciation and amortization	8,433	8,824	2,088	2,370
Total operating expenses	77,539	95,838	20,568	26,495
Operating income	12,190	14,783	5,141	1,708
Interest expense	7,565	5,018	1,493	1,758
Other expense	165	474	35	231
Income (loss) before income taxes	4,460	9,381	3,613	(281)
Provision (benefit) for income taxes	1,547	(418)	771	(54)
Net income (loss)	\$ 2,913	\$ 9,799	2,842	(227)
Less: Net income attributable to non-controlling interest	638	671	170	—
Net income (loss) attributable to shareholders	\$ 2,275	\$ 9,128	\$ 2,672	\$ (227)
Earnings (loss) per share: <sup>(1)</sup>				
Basic and diluted <sup>(1)</sup>	\$2,947.69	\$11,827.05	\$3,462.08	\$ (294.12)
Shares outstanding:				
Basic and diluted <sup>(1)</sup>	771.79	771.79	771.79	771.79
Pro forma net income (loss) per share,				
Basic and diluted (unaudited)		\$		\$
Pro forma weighted average shares used in computing basic and diluted				
net income (loss) per share (unaudited) <sup>(2)</sup>				

- (1) Share numbers reflect historical outstanding share numbers as reflected in the consolidated financial statements and do not reflect the effect of the Recapitalization. For further information please see "Prospectus summary—Recapitalization and return of capital" and Note 13 to our consolidated financial statements.
- (2) The unaudited calculation of the denominator of basic and diluted EPS gives effect to the adjustments to reflect the weighted average effect of the return of capital and accumulated yield in the Recapitalization as of December 31, 2017 and March 31, 2018, as if the transaction occurred at January 1, 2017.

Non-GAAP financial measure  (in thousands)	Three months ended			
	2016	2017	March 31,	
			2017	2018
<b>GAAP net income (loss)<sup>(1)</sup></b>	<b>\$ 2,913</b>	<b>\$ 9,799</b>	<b>\$ 2,842</b>	<b>\$ (227)</b>
<b>Adjustments</b>				
Net interest expense	7,565	5,018	1,493	1,758
Income tax provision (benefit)	1,547	(418)	771	(54)
Depreciation and amortization expense	8,433	8,871	2,088	2,370
Sponsor fees	500	2,500	125	125
Total Adjustments	18,045	15,971	4,477	4,199
<b>Adjusted EBITDA</b>	<b>\$ 20,958</b>	<b>\$ 25,770</b>	<b>\$ 7,319</b>	<b>\$ 3,972</b>

(1) See "Selected consolidated financial data—Non-GAAP financial measure" for additional information.

The consolidated balance sheet data as of March 31, 2018 are presented below:

- on an actual basis;
- on a pro forma basis to give effect to the Recapitalization based on an assumed initial public offering price of \$ per share, the midpoint of the range on the cover of this prospectus, after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us; and
- on a pro forma as adjusted basis to give effect to: (i) the pro forma adjustment set forth above; (ii) the sale by us of shares offered by us in this prospectus, assuming an assumed initial public offering price of \$ per share, the midpoint of the range on the cover of this prospectus, after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us; and (iii) the application of a portion of the proceeds from this offering as described in "Use of proceeds."

(in thousands) (unaudited)	As of March 31, 2018		
	Actual	Pro forma	Pro forma as adjusted <sup>(1)</sup>
<b>Consolidated Balance Sheet Data:</b>			
Cash	\$ 4,492	\$	\$
Working capital	35,059		
Total assets	125,641		
Total debt <sup>(2)</sup>	93,392		
Total shareholders' deficit	(18,944)		

(1) Each \$1.00 increase (decrease) in the assumed initial public offering price of \$ per share, the midpoint of the range set forth on the cover of this prospectus, would increase (decrease) pro forma as adjusted, our cash balances and total assets by \$ million, assuming the number of shares offered by us, as set forth on the cover of this prospectus, remains the same and after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us.

(2) Total debt includes external debt and is net of deferred issuance costs of \$2.5 million at March 31, 2018.

## Risk factors

*An investment in our shares involves significant risks. You should carefully consider all of the information in this prospectus, including the risks and uncertainties described below, before making an investment in our shares. Any of the following risks could have a material adverse effect on our business, financial condition, results of operations and prospects. In any such case, the market price of our shares could decline, and you may lose all or part of your investment.*

### Risks related to our business

***Our operating results can be difficult to predict and may fluctuate significantly, which could result in a failure to meet investor expectations or our guidance and a decline in the trading price of our shares.***

Our quarterly and annual operating results have fluctuated in the past and may fluctuate significantly in the future. In particular, the timing and size of sales of our products are difficult to predict and can result in significant fluctuations in our revenues from period to period. For instance, we have historically received and fulfilled a substantial portion of sales orders and generated a substantial portion of revenues during the last few weeks of each quarter. In addition, we generally recognize all product revenues in the same period in which the related products are sold. Because our operating results are relatively fixed in the short term, any failure to meet expectations regarding sales could have an immediate and material effect on our earnings. If our revenues or operating results fall below the expectations of investors or securities analysts or below any estimates we may provide to the market, the trading price of our shares would likely decline, which could have a material and adverse impact on investor confidence and employee retention.

Our operating results may fluctuate due to a variety of factors, many of which are outside of our control, and which we may not foresee. In addition to other risks listed in this “Risk factors” section, factors that may affect our operating results include:

- fluctuations in demand for our products, including seasonal variations;
- our failure to timely fulfill orders for our products, which may be due to inability of our third-party manufacturers and suppliers to meet our demand, logistical failures in warehousing and shipping products or other factors;
- failure of our distributors and channel partners to effectively promote and sell our products or manage their inventory and fulfillment;
- our ability to control costs, including our manufacturing and component costs and operating expenses;
- our ability to develop, introduce and ship in a timely manner new products and product enhancements, and to anticipate future market demands;
- changes in the competitive dynamics of our target markets, including new entrants, consolidation and pricing pressures;
- the inherent complexity, length and associated unpredictability of the sales cycles for our products;
- announcements by us or our competitors of new or enhanced products, promotions or other transactions;
- variation in product costs, prices or mix of products we sell;
- product quality issues that could result in increases in product warranty costs and harm to our reputation and brand; and
- general economic or political conditions in our markets.

## [Table of Contents](#)

The effects of these or other factors individually or in combination could result in fluctuations and unpredictability in our operating results, our ability to forecast those results and the trading price of our shares. As a result, our past results should not be relied upon as an indication of our future performance.

***The introduction of new products and technology is key to our success, and if we fail to predict and respond to emerging technological trends and network operators' changing needs, we may be unable to remain competitive.***

The wireless broadband market is generally characterized by rapidly changing technology, changing needs of network operators, evolving regulations and industry standards and frequent introductions of new products and services. Historically, new product introductions have been a key driver of our revenue growth. To succeed, we must effectively anticipate and adapt in a timely manner to network operator requirements and continue to develop or acquire new products and features that meet market demands, technology trends and evolving regulatory requirements and industry standards. Our ability to keep pace with technological developments, such as 5G and LTE, satisfy increasing network operator requirements, and achieve product acceptance depends upon our ability to enhance our current products and develop and introduce or otherwise acquire the rights to new products on a timely basis and at competitive prices. The process of developing new technology is complex and uncertain, and the development of new products and enhancements typically requires significant upfront investment, which may not result in material improvements to existing products or result in marketable new products or costs savings or revenues for an extended period of time, if at all. Network operators have delayed, and may in the future delay, purchases of our products while awaiting release of new products or product enhancements. We have experienced, and may in the future experience, design, manufacturing, marketing and other difficulties that delay or prevent the development, introduction or marketing of new products and enhancements. In addition, the introduction of new or enhanced products requires that we carefully manage the transition from older products to minimize disruption in channel partner ordering practices. If we fail to anticipate industry trends and evolving regulations by developing or acquiring rights to new products or product enhancements and timely and effectively introducing such new products and enhancements, or network operators do not perceive our products to have compelling technological advantages, our business and the price of our shares would be adversely affected.

***Competitive pressures may harm our business, revenues, growth rates and market share.***

We generate a majority of our revenues from sales to wireless Internet service providers. The market for wireless broadband products is rapidly evolving, highly competitive and subject to rapid technological change. We expect competition to persist, intensify and increase.

In all of our markets, we compete with a number of wireless equipment providers worldwide that vary in size and in the products and solutions offered. Our competitors for products and solutions for the unlicensed, sub-6 GHz spectrum bands include Radwin, MicroTik and Ubiquiti. In the licensed microwave markets, our competitors include SIAE, SAF Tehnica and Aviat. Our Wi-Fi products and solutions compete with Cisco Meraki, HPE (Aruba), Ruckus Wireless (Arris) and Ubiquiti. Our cnReach IIoT products and solutions compete with GE MDS and Freewave. As our target markets continue to develop and expand, and as the technology for wireless broadband continues to evolve, we expect competition to increase. We also expect consolidation to impact the competitive landscape, such as the acquisition by Arris Group of Ruckus Wireless (Arris) in 2017.

Demand for our solutions versus those of our competitors is influenced by a variety of factors, including the following:

- product quality, performance, features and functionality, and reliability;
- depth and breadth of sales channel;

## [Table of Contents](#)

- brand awareness and reputation;
- total cost of ownership and return on investment associated with the products;
- ease of configuration, installation and use of the products;
- ability to provide a complete compatible and scalable solution;
- broad application across a range of use cases;
- ability to allow centralized management of the products and network to enable better network planning, including scalable provisioning, configuration, monitoring and complete network visualization; and
- strength, quality and scale of pre- and post-sales product support.

We expect increased competition from our current competitors, as well as emerging companies and established companies, such as Nokia, Ericsson, Huawei and NEC, that may enter our markets. Further, we have in the past and may again experience price competition from lower cost vendors selling to network operators that have lower budget or less demanding applications than our products have been designed to serve. To address these competitive conditions, we introduced our lower cost ePMP and PTP 550 products that allow us to target certain market segments without compromising our gross margins on our more sophisticated and functionally versatile products. We also expect that even higher cost competitors may engage in price competition to establish greater market share, which may adversely affect our ability to grow our revenues and profitability. Competition could result in loss of market share, increased pricing pressure, reduced profit margins, increased sales and marketing expense, any of which would likely cause serious harm to our business, operating results or financial condition.

A number of our current or potential competitors have longer operating histories, greater name recognition, significantly larger customer bases and sales channels and significantly greater financial, technical, sales, marketing and other resources than we do. Our competitors may be able to anticipate, influence or adapt more quickly to new or emerging technologies and changes in network operator requirements, devote greater resources to the promotion and sale of their products and services, initiate or withstand substantial price competition, bundle similar products to compete, take advantage of acquisitions or other opportunities more readily, and develop and expand their product and service offerings more quickly than we can.

Some of our competitors have been acquired or entered into partnerships or other strategic relationships to offer a more comprehensive solution than they had individually offered. We expect this trend to continue. The companies resulting from such consolidation may create more compelling products and be able to offer greater pricing flexibility, making it more difficult for us to compete effectively. In addition, continued industry consolidation might adversely affect network operators' perceptions of the viability of smaller and even medium-sized wireless broadband equipment providers and, consequently, network operators' willingness to purchase from those companies.

Additionally, the markets for development, distribution and sale of our products are rapidly evolving. New entrants seeking to gain market share by introducing new technology and new products may make it more difficult for us to sell our products, and could create increased pricing pressure, reduced profit margins due to increased expenditure on sales and marketing, or the loss of market share or expected market share, any of which may significantly harm our business, operating results and financial condition. The success of new products depends on several factors, including appropriate new product definition, component costs, timely completion and introduction of products, differentiation of new products from those of our competitors and market acceptance of these products. We may not be able to successfully anticipate or adapt to changing technology on a timely basis, or at all. New technologies could render our existing products less attractive and if

## [Table of Contents](#)

such technologies are widely adopted as the industry standard for wireless Internet service providers, our business financial condition, results of operations and prospects could be materially adversely affected.

***We rely on third-party manufacturers, which subjects us to risks of product delivery delays and reduced control over product costs and quality.***

We outsource the manufacturing of our products to third-party manufacturers such as Flextronics, with whom we entered into an agreement pursuant to which Flextronics manufactures and supplies certain of our products subject to orders from us and our demand forecasts. In certain cases, we rely on third-party manufacturers to design products to our specifications and license those designs back to us. Purchases from these third-party manufacturers accounts for the most significant portion of our cost of revenues. Our reliance on third-party manufacturers reduces our control over the manufacturing process, including reduced control over quality, product costs and product supply and timing. From time to time, we have experienced and may in the future experience delays in shipments or issues concerning product quality from our third-party manufacturers. If any of our third-party manufacturers suffer interruptions, delays or disruptions in supplying our products, including by natural disasters or work stoppages or capacity constraints, our ability to ship products to distributors and network operators would be delayed. Additionally, if any of our third-party manufacturers experience quality control problems in their manufacturing operations and our products do not meet network operators' requirements, we could be required to cover the repair or replacement of any defective products. These delays or product quality issues could have an immediate and material adverse effect on our ability to fulfill orders and could have a negative impact on our operating results. In addition, such delays or issues with product quality could harm our reputation and our relationship with our channel partners.

Our agreements do not typically obligate our third-party manufacturers to supply products to us in specific quantities or for an extended term, which could result in short notice to us of supply shortages and increases in the prices we are charged for manufacturing services. We believe that our orders may not represent a material portion of the total orders of our primary third-party manufacturers, such as Flextronics, and, as a result, fulfilling our orders may not be prioritized in the event they are constrained in their abilities or resources to fulfill all of their customer obligations in a timely manner. Although we provide demand forecasts to some of our third-party manufacturers, such forecasts are not generally binding and if we overestimate our requirements, some of our third-party manufacturers may assess charges, or we may have liabilities for excess inventory, each of which could negatively affect our gross margins. Conversely, because lead times for required materials and components vary significantly and depend on factors such as the specific supplier, contract terms and the demand for each component at a given time, if we underestimate our requirements, our third-party manufacturer may have inadequate materials and components required to produce our products. This could result in an interruption of the manufacturing of our products, delays in shipments and deferral or loss of revenues.

If our third-party manufacturers experience financial, operational, manufacturing capacity or other difficulties, or experience shortages in required components, or if they are otherwise unable or unwilling to continue to manufacture our products in required volumes or at all, our supply may be disrupted, we may be required to seek alternate manufacturers and we may be required to re-design our products. It would be time-consuming and costly, and could be impracticable, to begin to use new manufacturers and designs and such changes could cause significant interruptions in supply and could have an adverse impact on our ability to meet our scheduled product deliveries and may subsequently lead to the loss of sales, delayed revenues or an increase in our costs, which could materially and adversely affect our business and operating results.



***We rely on distributors and value-added resellers for the substantial majority of our sales, and the failure of our channel partners to promote and support sales of our products would materially reduce our expected future revenues.***

We rely on channel partners for a substantial majority of our sales and our future success is highly dependent upon establishing and maintaining successful relationships with distributors and value added resellers. Recruiting and retaining qualified channel partners and training them in our technology and products require significant time and resources. Our reliance on channel partners for sales of our products results in limited visibility into demand and channel inventory levels which in turn adversely impacts our ability to accurately forecast our future revenues. By relying on our channel partners, we may have less contact with network operators, thereby making it more difficult for us to establish brand awareness, service ongoing network operator requirements and respond to evolving needs for new product functionality.

Sales through distributors have been highly concentrated in a few distributors, with over 43% and 40% of our revenues in 2016 and 2017, respectively, coming from our three largest distributors. In addition, certain of our distributors may rely disproportionately on sales to a small number of end customers. For example, purchases from Aikom by an end customer accounted for 12% of our revenues in 2016 and in 2017. Termination or degradation of a relationship with a major distributor, or of a distributor with its major customer, could result in a temporary or permanent material loss of revenues. We may not be successful in finding other distributors on satisfactory terms, or at all, and our distributors may fail to maintain or replace business with their major customer, either of which could adversely affect our ability to sell in certain geographic markets or to certain network operators, adversely impacting our revenues, cash flow and market share.

We generally do not require minimum purchase commitments from our channel partners, and our agreements do not prohibit our channel partners from offering products or services that compete with ours or from terminating our contract on short notice. Many of our channel partners also sell products from our competitors. Some of our competitors may have stronger relationships with our channel partners than we do and we have limited control, if any, over the sale by our channel partners of our products instead of our competitors' products, or over the extent of the resources devoted to market and support our competitors' products, rather than our products or solutions. Our competitors may be more effective in providing incentives to existing and potential channel partners to favor their products or to prevent or reduce sales of our products. Our failure to establish and maintain successful relationships with our channel partners would materially and adversely affect our business, operating results and financial condition.

***Our revenue growth rate in recent periods may not be indicative of our future performance.***

Our revenue growth rate in recent periods may not be indicative of our future performance. For example, our revenues grew 19.4% from December 31, 2016 to December 31, 2017. We may not achieve similar revenue growth rates in future periods. You should not rely on our revenues for any prior quarterly or annual period as any indication of our future revenues or revenue growth. If we are unable to maintain consistent revenues or revenue growth, our operating results and the trading price of our shares could be materially affected.

***Our third-party logistics and warehousing provider may fail to deliver products to our channel partners and network operators in a timely manner, which could harm our reputation and operating results.***

We rely on our third-party logistics and warehousing provider, with distribution hubs in the United States, the Netherlands and China, to fulfill the majority of our worldwide sales and deliver our products on a timely basis. Any delay in delivery of our products to distributors or network operators could create dissatisfaction, harm our reputation, result in the loss of future sales and, in some cases, subject us to penalties. We rely on our third-party logistics and warehousing provider to accurately segregate and record our inventory for us and to

report to us the receipt and shipments of our products. Our third-party logistics and warehousing provider also manages and tracks the delivery of our products from the warehouse and safeguards our inventory, which accounts for a vast majority of our inventory balance. The failure of our third-party logistics and warehousing provider to perform these key tasks sufficiently could disrupt the shipment of our products to distributors and network operators or cause errors in our recorded inventory, either of which could adversely affect our business and operating results.

***Our ability to sell our products is highly dependent on the quality of our support and services offerings, and our failure to offer high-quality support and services could have a material adverse effect on our business, operating results and financial condition.***

Network operators rely on our products for critical applications and, as such, high-quality support is critical for the successful marketing and sale of our products. If we or our channel partners do not provide adequate support to network operators in deploying our products or in resolving post-deployment issues quickly, our reputation may be harmed and our ability to sell our products could be materially and adversely affected.

***If we or our distributors and channel partners are unable to attract new network operators or sell additional products to network operators that currently use our products, our revenue growth would be adversely affected and our revenues could decrease.***

To increase our revenues, we depend on the adoption of our solutions by network operators that purchase our products through our channel partners. Network operators typically need to make substantial investments when deploying network infrastructure, which can delay a purchasing decision. Once a network operator has deployed infrastructure for a particular portion of its network, it is often difficult and costly to switch to another vendor's equipment. Although our ePMP Elevate product enables network operators to use Cambium PMP equipment to leverage an installed base of CPE provided by certain other vendors, if we or our channel partners are unable to demonstrate that our products offer significant performance, functionality or cost advantages to the competitor's product, it would be difficult for us to generate sales to that network operator once a competitor's equipment has been deployed.

Our future success also depends significantly on additional purchases of our products by network operators that have previously purchased our products. Network operators may choose not to purchase additional products because of several factors, including dissatisfaction with our products or pricing relative to competitive offerings, reductions in network operators' spending levels or other causes outside of our control. If we are not able to generate repeat purchases from network operators, our revenues may grow more slowly than expected or may decline, and our business and operating results would be adversely affected.

***The seasonality of our business creates significant variance in our quarterly revenues, which makes it difficult to compare or forecast our financial results on a quarter-by-quarter basis.***

Our revenues fluctuate on a seasonal basis, which affects the comparability of our results between sequential periods. For example, our total revenues have historically been highest in the third quarter, primarily due to the impact of increased seasonal demand by network operators in the Northern hemisphere due to favorable weather for outdoor installation activity. For similar reasons, our lowest revenues of the year are typically in our first quarter. While generally consistent, the actual quantifiable effects of these seasonal variations are difficult to predict accurately, which introduces additional risk into our business as we rely upon forecasts of demand to build inventory in advance of anticipated sales. If our sales mix changes, or if the geographic mix of our sales changes, the seasonal nature of our revenues may change in unpredictable ways, which could increase the volatility of both our financial results and share price.

***We require third-party components, including components from limited or sole source suppliers, to build our products. The unavailability of these components could substantially disrupt our ability to manufacture our products and fulfill sales orders.***

We rely on third-party components to build our products, and we rely on our third-party manufacturers to obtain the components necessary for the manufacture of our products. If we underestimate our requirements or our third-party suppliers are not able to timely deliver components, our third-party manufacturers may have inadequate materials and components required to produce our products. This could result in an interruption in the manufacture of our products, delays in shipments and deferral or loss of revenues.

We have in the past and may in the future experience shortages in available supply of required components. Unpredictable price increases for such components may also occur. We and our third-party manufacturers generally rely on purchase orders rather than long-term contracts with suppliers of required components. As a result, our third-party manufacturers may not be able to secure sufficient components at reasonable prices or of acceptable quality to build our products in a timely manner, adversely impacting our ability to meet demand for our products. In addition, if our component suppliers cease manufacturing needed components, we could be required to redesign our products to incorporate components from alternative sources or designs, a process which would cause significant delays in the manufacture and delivery of our products.

We currently depend on a limited number of suppliers for several critical components for our products, including chipsets from Qualcomm Atheros. In some instances, we use sole or single source suppliers for our components to simplify design and fulfillment logistics. Neither we nor our third-party manufacturers carry substantial inventory of our product components. Many of these components are also widely used in other product types. Shortages are possible, and our ability to predict the availability of such components may be limited. In the event of a shortage or supply interruption from our component suppliers, we or our third-party manufacturers may not be able to develop alternate or second sources in a timely manner, on commercially reasonable terms or at all, and the development of alternate sources may be time-consuming, difficult and costly. Any resulting failure or delay in shipping products could result in lost revenues and a material and adverse effect on our operating results.

***Our gross margin varies from period to period and may decline in the future.***

Our gross margin varies from period to period, may be difficult to predict and may decline in future periods. Variations in our gross margin are generally driven by shifts in the mix of products we sell, the timing and related cost of fulfilling orders and other factors. In addition, the market for wireless broadband solutions is characterized by rapid innovation and declining average sale prices as products mature in the market place. The sales prices and associated gross margin for our products may decline due to change in sales strategy, competitive pricing pressures, demand, promotional discounts and seasonal changes in demand. Larger competitors with more diverse product and service offerings may reduce the price of products or services that compete with ours or may bundle them with other products and services. If we meet such price reductions but do not similarly reduce our product manufacturing costs, our margins would decline. Any decline in our gross margins could have an adverse impact on the trading price of our shares.

***Our products are technologically complex and may contain undetected hardware defects or software bugs, which could result in increased warranty claims, loss of revenues and harm to our reputation.***

Our products are technologically complex and, when deployed, are critical to network operations. Our products rely on our proprietary embedded software, and have in the past contained and may in the future contain undetected errors, bugs or security vulnerabilities, or suffer reliability or quality issues. Some defects in our products may only be discovered after a product has been installed and used by network operators. Any errors, bugs, defects, security vulnerabilities or quality or reliability issues discovered in our products after commercial

release could result in increased warranty claims, damage to our reputation and brand, loss of market shares or loss of revenues, any of which could adversely affect our business, operating results and financial condition. In addition, our products operate in part in outdoor settings and must withstand environmental effects such as severe weather, lightning or other damage. Our products may also contain latent defects and errors from time to time related to embedded third-party components.

We have in the past and may in the future become subject to warranty claims that may require us to make significant expenditures to repair or replace defective products, or redesign our products to eliminate product vulnerabilities. We may in the future also be the subject of product liability claims. Such claims could require a significant amount of time and expense to resolve and defend against and could harm our reputation by calling into question the quality of our products. We also may incur costs and expenses relating to a recall of one or more of our products. The process of identifying recalled products that have been widely distributed may be lengthy and require significant resources and we may incur significant replacement costs, contract damage claims from network operators and harm to our reputation. Additionally, defects and errors may cause our products to be vulnerable to security attacks, cause them to fail to help secure networks or temporarily interrupt network traffic. Although we disclaim responsibility for certain warranty and product liability claims as well as product recalls or security problems, any substantial costs or payments made in connection with warranty and product liability claims, product recalls or security problems could cause our operating results to decline and harm our brand.

***If our channel partners do not effectively manage inventory of our products, fail to timely resell our products or overestimate expected future demand, they may reduce purchases in future periods, causing our revenues and operating results to fluctuate or decline.***

Our channel partners purchase and maintain inventories of our products to meet future demand and have only limited rights to return the products they have purchased from us. Our channel partners are not generally committed to volume purchases of our products in any period. Accordingly, if our channel partners purchase more product than is required to meet demand in a particular period, causing their inventory levels to grow, they may delay or reduce additional future purchases, causing our quarterly results to fluctuate and adversely impacting our ability to accurately predict future earnings.

***If we are not able to effectively forecast demand or manage our inventory, we may be required to record write-downs for excess or obsolete inventory.***

We maintain inventory of finished goods and, to a lesser extent, raw materials that we believe are sufficient to allow timely fulfillment of sales. Growth in our sales and new product launches may require us to build inventory in the future. Higher levels of inventory expose us to a greater risk of carrying excess or obsolete inventory, which may in turn lead to write-downs. We may also record write-downs in connection with the end-of-life for specific products. For example, in 2016 we recorded \$1.8 million in inventory write-downs due to increased provisions on raw materials, product end-of-life and tightening of provisions. Decisions to increase or maintain higher inventory levels are typically based upon uncertain forecasts or other assumptions. Because the markets in which we compete are volatile, competitive and subject to rapid technology and price changes, if the assumptions on which we base these decisions turn out to be incorrect, our financial performance could suffer and we could be required to write-off the value of excess products or components inventory.

***We are exposed to the credit risk of our channel partners, which could result in material losses.***

We generate a substantial majority of our revenues through sales to our distributors. Distributors may not have the resources required to meet payment obligations, or may delay payments if their end customers are late making payments. Our exposure to credit risks of our channel partners and their end customers may increase if such entities are adversely affected by global or regional economic conditions. Given the broad geographic

## [Table of Contents](#)

coverage of our distributor relationships, we have in the past and may in the future experience difficulties surrounding the collection of payments. Any significant delay or default in the collection of significant accounts receivable could result in the need for us to obtain working capital from other sources.

***If we do not effectively expand and train our direct sales force, we may be unable to increase sales.***

Although we rely on channel partners to fulfill the substantial majority of our sales, our direct sales force plays a critical role driving our sales through direct engagement with network operators. We have invested and will continue to invest substantially in our sales organization. Our sales headcount has grown from 91 as of December 31, 2016 to 133 as of March 31, 2018, as we focus on growing our business, entering new markets and increasing our market share, and we expect to incur significant additional expenses as we continue to expand our sales organization in order to achieve revenue growth. There is significant competition for sales personnel with the skills and technical knowledge that we require. Our ability to achieve significant revenue growth will depend, in large part, on our success in recruiting, training, retaining and integrating sufficient numbers of sales personnel to support our growth, particularly in international markets. New hires require significant training and may take significant time before they achieve full productivity. Our recent hires and planned hires may not become productive as quickly as we expect, and we may be unable to hire and retain sufficient numbers of qualified individuals in all locations where we expect to grow our sales organization. If we are unable to hire and train a sufficient number of effective sales personnel, or the sales personnel we hire do not achieve expected levels of productivity, our business, operating results and financial condition could be materially adversely affected.

***Our business and prospects depend on the strength of our brand. Failure to maintain and enhance our brand would harm our ability to increase sales by expanding our network of channel partners as well as the number of network operators who purchase our products.***

Maintaining and enhancing our brand is critical to expanding our base of channel partners and the number of network operators who purchase our products. Maintaining and enhancing our brand will depend largely on our ability to continue to develop products and solutions that provide the high quality at attractive economics sought by network operators. If we fail to promote, maintain and protect our brand successfully, our ability to sustain and expand our business and enter new markets will suffer. Our brand may be impaired by a number of factors, including product failure and counterfeiting. If we fail to maintain and enhance our brand, or if we need to incur unanticipated expenses to establish the brand in new markets, our operating results would be negatively affected.

***If we are unable to manage our growth and expand our operations successfully, our business and operating results will be harmed.***

We have expanded our operations significantly since inception and anticipate that further significant geographic and market expansion will be required to achieve our business objectives. The growth and expansion of our geographic sales, expansion of our products and our entry into new industry verticals places a significant strain on our management, operational and financial resources. Any such future growth would also add complexity to and require effective coordination throughout our organization. To manage any future growth effectively, we must continue to improve and expand our information technology and financial infrastructure, our operating and administrative systems and controls, and our ability to manage headcount, capital and processes in an efficient manner. We may not be able to successfully implement improvements to these systems and processes in a timely or efficient manner, which could result in additional operating inefficiencies and could cause our costs to increase more than planned. If we do increase our operating expenses in anticipation of the growth of our business and this growth does not meet our expectations, our operating results may be negatively impacted. If we are unable to manage future expansion, our ability to

provide high quality products and services could be harmed, which could damage our reputation and brand and may have a material adverse effect on our business, operating results and financial condition.

***Our sales cycles can be long and unpredictable and our sales efforts require considerable time and expense. As a result, our sales and revenues are difficult to predict and may vary substantially from period to period.***

Our sales efforts involve educating channel partners and network operators about the technical capabilities, applications and benefits of our products. Network operators typically require long sales cycles to select a product supplier and place sales orders. The sale process usually begins with an evaluation, followed by one or more network trials, followed by vendor selection and finally installation, testing and deployment. Network operator purchasing activity depends upon the stage of completion of expanding network infrastructures and the availability of funding, among other factors. We spend substantial time and resources on our sales efforts without any assurance that our efforts will produce any sales. In addition, purchases of our products are frequently subject to budget constraints, multiple approvals, and unplanned administrative, processing and other delays. Moreover, the evolving nature of the market may lead prospective network operators to postpone their purchasing decisions pending resolution of network standards or adoption of technology by others. Network operators may also postpone a purchase decision pending the release of new or enhanced products by us or others. As a result, it is difficult to predict whether a sale will be completed, the particular period in which a sale will be completed or the period in which revenues from a sale will be recognized. Our operating results may therefore vary significantly from quarter to quarter.

***A portion of our revenues are generated by sales to government entities, which are subject to a number of challenges and risks.***

We derive a portion of our revenues from contracts with government agencies and we believe the success and growth of our business will in part depend on our continued and increasing sales to U.S. and foreign, federal, state and local governmental end customers in the future. However, demand from government agencies is often unpredictable, and we may be unable to maintain or grow our revenues from this market. Sales to government agencies are subject to substantial risks, including but not limited to the following:

- selling to government agencies can be highly competitive, expensive and time-consuming, often requiring significant upfront time and expense without any assurance that such efforts will generate a sale;
- government entities may have statutory, contractual or other legal rights to terminate contracts with our channel partners or us for convenience or due to a default, and any such termination may adversely impact our future business, financial condition, results of operations and prospects;
- U.S. or other government certification requirements applicable to our goods and services may be difficult to meet, require an additional administrative or compliance burden on us not found in our commercial contracts, and if we are unable to meet these certification requirements, our ability to sell into the government sector may be adversely impacted until we have attained required certifications;
- government demand and payment for our services may be adversely impacted by public sector budgetary cycles and funding constraints;
- selling to government entities may require us to comply with various regulations that are not applicable to sales to non-government entities, including regulations that may relate to pricing, classified material and other matters, or requirements regarding the development and maintenance of programs such as small business subcontracting, or compliance with EEOC requirements. Complying with such regulations may also require us to put in place controls and procedures to monitor compliance with the applicable regulations that may be costly or not possible;

## [Table of Contents](#)

- the U.S. government may require certain products that it purchases to be manufactured in the U.S. and other relatively high-cost manufacturing locations under Buy American Act or other regulations, and we may not manufacture all products in locations that meet these requirements, which may preclude our ability to sell some products or services; and
- governments may investigate and audit government contractors' administrative and financial processes and compliance with laws and regulations applicable to government contractors, and any unfavorable audit could result in fines, civil or criminal liability, damage to our reputation and suspension or debarment from further government business.

The occurrence of any of the foregoing could cause governments and governmental agencies to delay or refrain from purchasing our products in the future which could materially and adversely affect our operating results.

***We generate a significant amount of revenues from sales outside of the United States, and we are therefore subject to a number of risks associated with international sales and operations.***

We have extensive international operations and generate a significant amount of revenues from sales to channel partners in Europe, the Middle East and Africa, Asia-Pacific and South America. For example, sales outside of the United States accounted for 58% of our total revenues in both 2016 and 2017. We rely on our third-party logistics and warehousing provider, with distribution hubs in the United States, the Netherlands and China, to fulfill the majority of our worldwide sales and to deliver our products to our customers. We have estimated the geographical distribution of our product revenues based on the ship-to destinations specified by our distributors when placing orders with us. Our ability to grow our business and our future success will depend on our ability to continue to expand our global operations and sales worldwide.

As a result of our international reach, we must hire and train experienced personnel to manage our international operations. If we experience difficulties in recruiting, training, managing and retaining an international staff, and specifically staff related to sales management and sales personnel, we may experience difficulties expanding our sales outside of the United States. If we are not able to maintain these relationships internationally or to recruit additional channel partners, our future international sales could be limited. Business practices in the international markets that we serve may differ from those in the United States and may require us in the future to include terms other than our standard terms in contracts.

Our international sales and operations are subject to a number of risks, including the following:

- fluctuations in currency exchange rates, which could drive fluctuations in our operating expenses;
- tariffs and trade barriers, export regulations and other regulatory or contractual limitations on our ability to sell or develop our products in certain foreign markets;
- required local regulatory certifications in each jurisdiction, which may be delayed for political or other reasons other than product quality or performance;
- requirements or preferences for domestic products, which could reduce demand for our products;
- differing technical standards, existing or future regulatory and certification requirements and required product features and functionality;
- management communication problems related to entering new markets with different languages, cultures and political systems;
- difficulties in enforcing contracts and collecting accounts receivable, and longer payment cycles, especially in emerging markets;



## [Table of Contents](#)

- heightened risks of unfair or corrupt business practices in certain geographies and of improper or fraudulent sales arrangements that may impact financial results and result in restatements of, and irregularities in, financial statements;
- difficulties and costs of staffing and managing foreign operations;
- the uncertainty of protection of intellectual property rights in some countries;
- potentially adverse tax consequences, including regulatory requirements regarding our ability to repatriate profits to the United Kingdom;
- requirements to comply with foreign privacy, information security, and data protection laws and regulations and the risks and costs of non-compliance;
- added legal compliance obligations and complexity;
- the increased cost of terminating employees in some countries; and
- political and economic instability and terrorism.

These and other factors could harm our ability to generate future international revenues. Expanding our existing international operations and entering into additional international markets will require significant management attention and financial commitments. Our failure to successfully manage our international operations and the associated risks effectively could limit our future growth or materially adversely affect our business, operating results and financial condition.

***Economic conditions and regulatory changes following the United Kingdom's likely exit from the European Union could adversely impact our operations, operating results and financial condition.***

Following the referendum in June 2016 in which voters in the United Kingdom approved an exit from the European Union, the U.K. government initiated the formal process to leave the European Union (often referred to as Brexit) on March 29, 2017. The United Kingdom is expected to leave the European Union on March 29, 2019 unless the United Kingdom and the remaining European Union member states agree otherwise or U.K. voters vote to abandon Brexit. The future effects of Brexit will depend on any agreements the United Kingdom makes to retain access to the European Union or other markets either during a transitional period or more permanently. Given the lack of comparable precedent, it is unclear what economic, financial, trade and legal implications the withdrawal of the United Kingdom from the European Union would have generally and how such withdrawal would affect us.

A withdrawal could, among other outcomes, disrupt the free movement of goods, services and people between the United Kingdom and the European Union, undermine bilateral cooperation in key geographic areas, disrupt the markets we serve, and significantly disrupt trade between the United Kingdom and the European Union or other nations as the United Kingdom pursues independent trade relations. Since we derive most of our revenues through our U.K. subsidiary, which owns our intellectual property, the consequences of Brexit, together with the significant uncertainty regarding the terms on which the U.K. will leave the European Union, could adversely change our tax benefits or liabilities in certain jurisdictions and adversely impact our trade operations and our management of our export compliance from our Netherlands distribution hub. Our U.K. operations may be adversely affected as we become subject to new laws and regulations implemented in the U.K. as part of Brexit, including compliance with U.K. labor and other regulations as well as compliance with EU privacy laws. Brexit could also create uncertainty with respect to the legal and regulatory requirements over the operation of our products to which we and our network operators in the U.K. are subject and lead to divergent national laws and regulations as the U.K. government determines which EU laws to replace or replicate.

## [Table of Contents](#)

While we are not experiencing any immediate adverse impact on our financial condition as a direct result of Brexit, the effects of Brexit will depend on any agreements the United Kingdom makes to retain access to the European Union or other markets either during a transitional period or more permanently. Compliance with new laws or regulations regarding trade, delivery and other cross-border activities between the United Kingdom and the European Union could be costly, negatively impacting our business, financial condition, operating results and cash flows.

***The loss of key personnel or an inability to attract, retain and motivate qualified personnel may impair our ability to expand our business.***

Our success is substantially dependent upon the continued service and performance of our senior management team and key technical, marketing and production personnel. Our employees, including our senior management team, are at-will employees, and therefore may terminate employment with us at any time with no advance notice. The replacement of any members of our senior management team or other key personnel likely would involve significant time and costs and may significantly delay or prevent the achievement of our business objectives.

Our future success also depends, in part, on our ability to continue to attract and retain highly skilled personnel. Competition for highly skilled personnel is frequently intense, particularly for highly skilled research and development personnel. Any failure to successfully attract or retain qualified personnel to fulfill our current or future needs may negatively impact our growth.

***If we fail to maintain an effective system of internal controls, our ability to produce timely and accurate financial statements or comply with applicable regulations could be impaired.***

As a public company, we will be subject to the reporting requirements of the Exchange Act, the Sarbanes-Oxley Act, and the rules and regulations of Nasdaq. We expect that the requirements of these rules and regulations will increase our legal, accounting and financial compliance costs, make some activities more difficult, time-consuming and costly and place significant strain on our personnel, systems and resources.

The Sarbanes-Oxley Act requires, among other things, that we maintain effective disclosure controls and procedures over financial reporting. We are continuing to develop and refine our disclosure controls, internal control over financial reporting and other procedures that are designed to ensure that information required to be disclosed by us in the reports that we will file with the SEC is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms, and that information required to be disclosed in reports under the Exchange Act is accumulated and communicated to our principal executive and financial officers.

Our current controls and any new controls we develop may become inadequate because of growth in our business. Further, weaknesses in our internal controls have been discovered and additional ones may be discovered in the future. Any failure to develop or maintain effective controls, or any difficulties encountered in their implementation or improvement, could harm our operating results or cause us to fail to meet our reporting obligations and may result in a restatement of our financial statements for prior periods. Any failure to implement and maintain effective internal controls also could adversely affect the results of periodic management evaluations and annual independent registered public accounting firm attestation reports regarding the effectiveness of our internal control over financial reporting that we will be required to include in our periodic reports we will file with the SEC under Section 404 of the Sarbanes-Oxley Act once we cease to be an emerging growth company. Ineffective disclosure controls and procedures and internal control over financial reporting could also cause investors to lose confidence in our reported financial and other information, which would likely have a negative effect on the market price of our shares.

## [Table of Contents](#)

We have expended and anticipate we will continue to expend significant resources, and we expect to provide significant management oversight, to maintain and improve the effectiveness of our disclosure controls and procedures and internal controls over financial reporting. Any failure to maintain the adequacy of our internal controls, or consequent inability to produce accurate financial statements on a timely basis, could increase our operating costs and could materially impair our ability to operate our business. If our internal controls are perceived as inadequate or we are unable to produce timely or accurate financial statements, investors may lose confidence in our operating results and our share price could decline. In addition, if we are unable to continue to meet these requirements, we may not be able to remain listed on Nasdaq.

We are not currently required to comply with the SEC rules that implement Sections 302 and 404 of the Sarbanes-Oxley Act, and we are therefore not required to make a formal assessment of the effectiveness of our internal controls over financial reporting for that purpose. Upon becoming a public company, we will be required to comply with certain of these rules, which will require management to certify financial and other information in our quarterly and annual reports and provide an annual management report on the effectiveness of our internal control over financial reporting. To comply with the requirements of being a public company, we will need to undertake various actions, such as implementing new internal controls and procedures.

Our independent registered public accounting firm is not required to formally attest to the effectiveness of our internal control over financial reporting until after we are no longer an emerging growth company. At such time, our independent registered public accounting firm may issue a report that is adverse in the event it is not satisfied with the level at which our controls are documented, designed or operating. Any failure to maintain effective disclosure controls and internal control over financial reporting could have a material and adverse effect on our business and operating results and could cause a decline in the price of our shares.

### ***We identified material weaknesses in our internal control over financial reporting that could, if not properly remediated, result in material misstatements in our financial statements.***

Although we have concluded that our consolidated financial statements as of December 31, 2016 and 2017 present fairly, in all material respects, the results of operations, financial position and cash flows of our company and its subsidiaries in conformity with generally accepted accounting principles in the United States, or U.S. GAAP, in the preparation of our financial statements for inclusion in this prospectus, we identified two material weaknesses in our internal control over financial reporting related to the controls during those periods. These material weaknesses which are identified below, resulted in errors in our accounting for certain tax and non-routine financing and equity compensation arrangements put in place by our private equity sponsor, including (i) \$2 million of convertible preferred equity certificates, or CPECs, issued by one of our subsidiaries in 2014, (ii) \$7 million of preferred equity issued by one of our subsidiaries in 2015 and (iii) certain equity compensation awards granted to our employees by VCH, L.P. The CPECs and preferred equity were redeemed in full by us in 2017, and the equity compensation awards will be cancelled and replaced in the Recapitalization. We and our independent registered public accounting firm determined that the identified errors in accounting were a result of the following material weaknesses (i) our failure to design, implement and document formalized processes and procedures to identify gaps in internal U.S. GAAP accounting expertise and determine when and how to engage specialists to augment our internal analysis of complex accounting technical matters and (ii) that we had not designed and implemented a documented and comprehensive management review process to ensure that our financial statements are in compliance with all required disclosures and in accordance with technical accounting analyses previously performed, including ensuring we had adequate resources to perform the review, in each case as they relate to these complex historical financial transactions and arrangements. Under standards established by the Public Company Accounting Oversight Board, or PCAOB, a "material weakness" is a deficiency, or a combination of deficiencies, in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of our annual or interim financial statements will not be prevented or detected on a timely basis.

We have initiated measures to remediate the material weaknesses including:

- the engagement of third party advisory and reporting assistance with a focus on U.S. GAAP reporting and complex financial transactions;
- the addition of internal finance and accounting staff with significant U.S. GAAP and complex transaction experience to manage financial reporting;
- development of formalized policies and processes for the identification of complex accounting issues requiring augmentation of internal resources by third party professionals; and
- further development of a documented management review process for the preparation of our financial statements.

If our remedial measures are insufficient to address the material weaknesses, or if additional material weaknesses or significant deficiencies in our internal control over financial reporting are discovered or occur in the future, our consolidated financial statements may contain material misstatements, and we could be required to restate our financial results. In addition, if we are unable to successfully remediate these material weaknesses and if we are unable to produce accurate and timely financial statements, our stock price may be adversely affected and we may be unable to maintain compliance with applicable stock exchange listing requirements.

***A substantial portion of our product portfolio relies on the availability of unlicensed RF spectrum and if such spectrum were to become unavailable through overuse or licensing, the performance of our products could suffer and our revenues from their sales could decrease.***

A substantial portion of our product portfolio operates in unlicensed RF spectrum, which is used by a wide range of consumer devices and is becoming increasingly crowded. If such spectrum usage continues to increase through the proliferation of consumer electronics and products competitive with ours, the resultant higher levels of noise in the bands of operation our products use could decrease the effectiveness of our products, which could adversely affect our ability to sell our products. Our business could be further harmed if currently unlicensed RF spectrum becomes licensed in the United States or elsewhere. Network operators that use our products may be unable to obtain licenses for RF spectrum. Even if the unlicensed spectrum remains unlicensed, existing and new governmental regulations may require we make changes in our products. For example, to provide products for network operators who utilize unlicensed RF spectrum, we may be required to limit their ability to use our products in licensed or otherwise restricted RF spectrum. The operation of our products by network operators in the United States or elsewhere in a manner not in compliance with local law could result in fines, operational disruption, or harm to our reputation.

***Our business, operating results and growth rates may be adversely affected by current or future unfavorable economic and market conditions.***

Our business depends on the overall demand for wireless network technology and on the economic health and general willingness of our current and prospective end-customers to make those capital commitments necessary to purchase our products. If the conditions in the U.S. and global economies deteriorate, become uncertain or volatile, our business, operating results and financial condition may be materially adversely affected. Economic weakness, end-customer financial difficulties, limited availability of credit and constrained capital spending have resulted, and may in the future result, in challenging and delayed sales cycles, slower adoption of new technologies and increased price competition, and could negatively impact our ability to forecast future periods, which could result in an inability to satisfy demand for our products and a loss of market share.

In particular, we cannot be assured of the level of spending on wireless network technology, the deterioration of which would have a material adverse effect on our results of operations and growth rates. The purchase of our products or willingness to replace existing infrastructure is discretionary and highly dependent on a perception of continued rapid growth in consumer usage of mobile devices and in many cases involves a significant commitment of capital and other resources. Therefore, weak economic conditions or a reduction in capital spending would likely adversely impact our business, operating results and financial condition. A reduction in spending on wireless network technology could occur or persist even if economic conditions improve.

In addition, if interest rates rise or foreign exchange rates weaken for our international customers, overall demand for our products and services could decline and related capital spending may be reduced. Furthermore, any increase in worldwide commodity prices may result in higher component prices for us and increased shipping costs, both of which may negatively impact our financial results.

***We may acquire other businesses which could require significant management attention, disrupt our business, dilute shareholder value and adversely affect our operating results.***

To execute on our business strategy, we may acquire or make investments in complementary companies, products or technologies. We have not made any acquisitions to date, and as a result, our ability as an organization to acquire and integrate other companies, products or technologies in a successful manner is unproven. We may not be able to find suitable acquisition candidates, and we may not be able to complete such acquisitions on favorable terms, if at all. If we do complete acquisitions, we may not ultimately strengthen our competitive position or achieve our goals, and any acquisitions we complete could be viewed negatively by our channel partners, investors and financial analysts. In addition, if we are unsuccessful at integrating such acquisitions, or the technologies associated with such acquisitions, into our company, the revenues and operating results of the combined company could be adversely affected. Any integration process may require significant time and resources, and we may be unable to manage the process successfully. We may not successfully evaluate or utilize the acquired technology or personnel, or accurately forecast the financial impact of an acquisition transaction, including unexpected liability or accounting charges. We may have to pay cash, incur debt or issue equity securities to pay for any such acquisition, each of which could adversely affect our financial condition or the value of our shares. The sale of equity or issuance of debt to finance any such acquisitions could result in dilution to our shareholders. The incurrence of indebtedness would result in increased fixed obligations and could also include covenants or other restrictions that would impede our ability to manage our operations.

***Our credit facility contains restrictive financial covenants that may limit our operating flexibility.***

Our credit facility contains certain restrictive covenants that either limit our ability to, or require a mandatory prepayment in the event we, among other things, incur additional indebtedness and liens, merge with other companies or consummate certain changes of control, acquire other companies, engage in new lines of business, change business locations, make certain investments, make any payments on any subordinated debt, transfer or dispose of assets, amend certain material agreements, and enter into various specified transactions. We, therefore, may not be able to engage in any of the foregoing transactions unless we obtain the consent of our lenders or prepay certain amounts under the credit facility. The credit facility also contains certain financial covenants and financial reporting requirements. Our obligations under the credit facility are secured by substantially all of our assets. We may not be able to generate or sustain sufficient cash flow or sales to meet the financial covenants or pay the principal and interest under the credit facility. Furthermore, our future working capital, proceeds of borrowings or proceeds of equity financings could be required to be used to repay or refinance the amounts outstanding under the credit facility and, therefore, may be unavailable for other purposes. In the event of a liquidation, our lenders would be repaid all outstanding principal and interest prior to distribution of assets to unsecured creditors, and the holders of our shares would receive a portion of any liquidation proceeds only if all of our creditors, including our lenders, were first repaid in full.

***Our business is subject to the risks of earthquakes, fire, floods and other catastrophic events, and to interruption by manmade problems such as network security breaches, computer viruses, terrorism and war.***

We have substantial operations in Illinois, California, England and India, and our third-party manufacturers are located in Mexico and China. Operations in these areas are susceptible to disruption due to severe weather, seismic activity, political unrest and other factors. For example, a significant natural disaster, such as an earthquake, a fire or a flood, occurring at the facilities of one of our third-party manufacturers could have a material adverse impact on their ability to manufacture and timely deliver our products. Despite the implementation of network security measures, we also may be vulnerable to computer viruses, break-ins and similar disruptions from unauthorized tampering with our solutions. In addition, natural disasters, acts of terrorism or war could cause disruptions in the businesses of our suppliers, manufacturers, network operators or the economy as a whole. To the extent that any such disruptions result in delays or cancellations of orders or impede our ability to timely deliver our products, or the deployment of our products, our business, operating results and financial condition would be adversely affected.

## **Risks related to our industry**

***New regulations or standards or changes in existing regulations or standards in the United States or internationally related to our products may result in unanticipated costs or liabilities, which could have a material adverse effect on our business, results of operations and future sales.***

Our products are subject to governmental regulations in a variety of jurisdictions. To achieve and maintain market acceptance, our products must comply with these regulations as well as a significant number of industry standards. In the United States, our products must comply with various regulations defined by the Federal Communications Commission, or FCC, Underwriters Laboratories and others. We must also comply with similar international regulations. In addition, radio emissions, such as our products, are subject to health and safety regulation in the United States and in other countries in which we do business, including by the Center for Devices and Radiological Health of the Food and Drug Administration, the Occupational Safety and Health Administration and various state agencies. Member countries of the European Union have enacted similar standards concerning electrical safety and electromagnetic compatibility and emissions, and chemical substances and use standards. As these regulations and standards evolve, and if new regulations or standards are implemented, we could be required to modify our products or develop and support new versions of our products, and our compliance with these regulations and standards may become more burdensome. The failure of our products to comply, or delays in compliance, with the various existing and evolving industry regulations and standards could prevent or delay introduction of our products, which could harm our business. Foreign regulatory agencies may delay or fail to certify our products for political or other reasons other than product quality or performance. Network operator uncertainty regarding future policies may also affect demand for wireless broadband products, including our products. Our inability to alter our products to address these requirements and any regulatory changes may have a material adverse effect on our business, operating results and financial condition.

***We are subject to governmental export and import controls that could impair our ability to compete in international markets and subject us to liability if we are not in compliance with applicable laws.***

Our technology and products are subject to export control and import laws and regulations, including the U.S. Export Administration Regulations, U.S. customs regulations, the economic and trade sanctions regulations administered by the U.S. Treasury Department's Office of Foreign Assets Controls, and applicable U.K. export and import laws and regulations. Exports, re-exports and transfers of our products and technology must be made in compliance with these laws and regulations. U.S. and U.K. export control laws and economic sanctions include a prohibition on the shipment of certain products and technology to embargoed or sanctioned

countries, governments and persons. We take precautions to prevent our products and technology from being shipped to, downloaded by or otherwise transferred to applicable sanctions targets, but our products could be shipped to those targets by our channel partners despite such precautions. For example, in 2014, our LinkPlanner software was downloaded by persons in sanctioned countries. We self-reported the instance to OFAC and have taken remedial measures to safeguard against re-occurrence. If our products are shipped to or downloaded by sanctioned targets in the future in violation of applicable export laws, we could be subject to government investigations, penalties and reputational harm. Certain of our products incorporate encryption technology and may be exported, re-exported or transferred only with the required applicable export license from the U.S. or the U.K. or through an export license exception.

If we fail to comply with applicable export and import regulations, customs regulations, and economic and sanctions and other laws, we could be subject to substantial civil and criminal penalties, including fines and incarceration for responsible employees and managers, and the possible loss of export or import privileges as well as harm our reputation and indirectly have a material adverse effect on our business, operating results and financial condition. In addition, if our channel partners fail to comply with applicable export and import regulations, customs regulations, and economic and sanctions and other laws in connection with our products and technology, then we may also be adversely affected, through reputational harm and penalties. Obtaining the necessary export license for a particular sale may be time-consuming, may result in the delay or loss of sales opportunities and approval is not guaranteed.

Any change in export or import, customs or trade and economic sanctions laws, and regulations, shift in the enforcement or scope of existing laws and regulations, or change in the countries, governments, persons or technologies targeted by such laws and regulations, could also result in decreased use of our products, or in our decreased ability to export or sell our products to existing or potential network operators with international operations. Any decreased use of our products or limitation on our ability to export or sell our products could affect our business, financial condition and results of operations.

***We do business in countries with a history of corruption and transact business with foreign governments, which increases the risks associated with our international activities.***

We are subject to the U.S. Foreign Corrupt Practices Act of 1977, as amended, or the FCPA, the U.K. Bribery Act of 2010, and many other laws around the world that prohibit improper payments or offers or authorization of payments to governments and their employees, officials, and agents and political parties for the purpose of obtaining or retaining business, inducing an individual to not act in good faith, direct business to any person, or secure any advantage. We have operations, deal with and make sales to governmental entities in countries known to experience corruption, particularly certain emerging countries in Asia, Eastern Europe, the Middle East and South America. Our activities in these countries create the risk of illegal or unauthorized payments or offers of payments or other things of value by our employees, consultants or channel partners that could be in violation of applicable anti-corruption laws, including the FCPA. In many foreign countries where we operate, particularly in countries with developing economies, it may be a local custom for businesses to engage in practices that are prohibited by the FCPA or other similar laws and regulations. Although we have taken actions to discourage and prevent illegal practices including our anti-corruption compliance policies, procedures, training and monitoring, the actions taken to safeguard against illegal practices, and any future improvements in our anti-corruption compliance practices, may not be effective, and our employees, consultants or channel partners may engage in illegal conduct for which we might be held responsible. Violations of anti-corruption laws may result in severe criminal or civil sanctions, including suspension or debarment from government contracting, and we may be subject to other liabilities and significant costs for investigations, litigation and fees, diversion of resources, negative press coverage, or reputational harm, all of which could negatively affect our business, operating results and financial condition. In addition, the failure to create and maintain accurate



## [Table of Contents](#)

books and records or the failure to maintain an adequate system of internal accounting controls may subject us to sanctions.

***If we fail to comply with environmental requirements, our business, financial condition, operating results and reputation could be adversely affected.***

We are subject to various environmental laws and regulations including laws governing the hazardous material content of our products and laws relating to the recycling of electrical and electronic equipment. The laws and regulations to which we are subject include the European Union's Restriction of Hazardous Substances Directive, or RoHS, and Waste Electrical and Electronic Equipment Directive, or WEEE, as implemented by EU member states. Similar laws and regulations exist or are pending in other regions, including in the United States, and we are, or may in the future be, subject to these laws and regulations.

RoHS restricts the use of certain hazardous materials, including lead, mercury and cadmium, in the manufacture of certain electrical and electronic products, including some of our products. We have incurred, and expect to incur in the future, costs to comply with these laws, including research and development costs, and costs associated with assuring the supply of compliant components. Certain of our products are eligible for an exemption for lead used in network infrastructure equipment. If this exemption is revoked, or if there are other changes to RoHS (or its interpretation) or if similar laws are passed in other jurisdictions, we may be required to reengineer our products to use components compatible with these regulations. This reengineering and component substitution could result in additional costs to us or disrupt our operations or logistics.

WEEE requires producers of electrical and electronic equipment to be responsible for the collection, reuse, recycling and treatment of their products. Currently, our distributors generally take responsibility for this requirement, as they are often the importer of record. However, changes to WEEE and existing or future laws similar to WEEE may require us to incur additional costs in the future.

Any failure to comply with current and future environmental laws could result in the incurrence of fines or penalties and could adversely affect the demand for or sales of our products.

***If we were not able to satisfy data protection, security, privacy and other government- and industry-specific requirements or regulations, our business, results of operations and financial condition could be harmed.***

Personal privacy, data protection, information security and telecommunications-related laws and regulations have been widely adopted in the United States, Europe and in other jurisdictions where we offer our products. The regulatory frameworks for these matters, including privacy, data protection and information security matters, is rapidly evolving and is likely to remain uncertain for the foreseeable future. We expect that there will continue to be new proposed laws, regulations and industry standards concerning privacy, data protection, information security and telecommunications services in the United States, the European Union and other jurisdictions in which we operate or may operate, and we cannot yet determine the impact such future laws, regulations and standards may have on our business. For example, the European Commission adopted the General Data Protection Regulation, effective in May 2018, that will supersede current EU data protection legislation, impose more stringent EU data protection requirements and impose greater penalties for noncompliance. We expect that existing laws, regulations and standards may be interpreted in new manners in the future. Future laws, regulations, standards and other obligations, and changes in the interpretation of existing laws, regulations, standards and other obligations could require us to modify our products, restrict our business operations, increase our costs and impair our ability to maintain and grow our channel partner base and increase our revenues.

Although we work to comply with applicable privacy and data security laws and regulations, industry standards, contractual obligations and other legal obligations, those laws, regulations, standards and obligations are



evolving and may be modified, interpreted and applied in an inconsistent manner from one jurisdiction to another, and may conflict with one another. As such, we cannot assure ongoing compliance with all such laws, regulations, standards and obligations. Any failure or perceived failure by us to comply with applicable laws, regulations, standards or obligations, or any actual or suspected security incident, whether or not resulting in unauthorized access to, or acquisition, release or transfer of personally identifiable information or other data, may result in governmental enforcement actions and prosecutions, private litigation, fines and penalties or adverse publicity, and could cause channel partners to lose trust in us, which could have an adverse effect on our reputation and business.

## **Risks related to our intellectual property**

### ***We rely on the availability of third-party licenses, the loss of which could materially harm our ability to sell our products.***

We rely on certain software or other intellectual property licensed from third parties. It may be necessary in the future to seek new licenses or renew existing licenses. There can be no assurance that the necessary licenses would be available on acceptable terms, if at all. If we are unable to maintain these licenses, or obtain licenses to alternative third-party intellectual property, on acceptable terms, we may be precluded from selling our products, may be required to re-design our products to eliminate reliance on such third-party intellectual property or otherwise experience disruption in operating our business. Third parties owning such intellectual property may engage in litigation against us seeking protection of their intellectual property rights, any of which could have a material adverse effect on our business, operating results, and financial condition.

### ***If we are unable to protect our intellectual property rights, our competitive position could be harmed or we may incur significant expenses to enforce our rights.***

We protect our proprietary information and technology through license agreements, nondisclosure agreements, noncompetition covenants, and other contractual provisions and agreements, as well as through patent, trademark, copyright and trade secret laws in the United States and similar laws in other countries. These protections may not be available in all jurisdictions and may be inadequate to prevent our competitors or other third-party manufacturers from copying, reverse engineering or otherwise obtaining and using our technology, proprietary rights or products. For example, the laws of certain countries in which our products are manufactured or licensed do not protect our proprietary rights to the same extent as the laws of the United States. In addition, third parties may seek to challenge, invalidate or circumvent our patents, trademarks, copyrights and trade secrets, or applications for any of the foregoing. We have focused patent, trademark, copyright and trade secret protection primarily in the United States and Europe, although we distribute our products globally. As a result, we may not have sufficient protection of our intellectual property in all countries where infringement may occur. There can be no assurance that our competitors will not independently develop technologies that are substantially equivalent or superior to our technology or design around our proprietary rights. In each case, our ability to compete could be significantly impaired. To prevent substantial unauthorized use of our intellectual property rights, it may be necessary to prosecute actions for infringement and/or misappropriation of our proprietary rights against third parties. Any such action could result in significant costs and diversion of our resources and management's attention, and we may not be successful in such action.

### ***Claims by others that we infringe their intellectual property rights could harm our business.***

Our industry is characterized by vigorous protection and pursuit of intellectual property rights. A number of companies hold a large number of patents that may cover technology necessary to our products. We have in the past received and expect to continue to receive claims by third parties that we infringe their intellectual

property rights. For example, we have received correspondence from certain patent holding companies who assert that we infringe certain patents related to wireless communication technologies. We cannot assure you that a court adjudicating a claim that we infringe these patents would rule in our favor should these patent holding companies file suit against us. As our business expands, we enter into new technologies, and the number of products and competitors in our market increases, we expect that infringement claims may increase in number and significance. It is not uncommon for suppliers of certain components of our products, such as chipsets, to be involved in intellectual property-related lawsuits by or against third parties. Our key component suppliers are often targets of such assertions, and we may become a target as well. Any claims or proceedings against us, whether meritorious or not, could be time-consuming, result in costly litigation, require significant amounts of management time or result in the diversion of significant operational resources, any of which could materially and adversely affect our business and operating results.

Intellectual property lawsuits are subject to inherent uncertainties due to the complexity of the technical issues involved, and we cannot be certain that we will be successful in defending ourselves against intellectual property claims. In addition, we currently have a limited portfolio of issued patents compared to our larger competitors, and therefore may not be able to effectively utilize our intellectual property portfolio to assert defenses or counterclaims in response to patent infringement claims or litigation brought against us by third parties. Patent holding companies may seek to monetize patents they previously developed, have purchased or otherwise obtained. Many companies, including our competitors, may now, and in the future, have significantly larger and more mature patent portfolios than we have, which they may use to assert claims of infringement, misappropriation and other violations of intellectual property rights against us. In addition, future litigation may involve non-practicing entities or other patent owners who have no relevant products or revenue and against whom our own patents may therefore provide little or no deterrence or protection, and many other potential litigants have the capability to dedicate substantially greater resources than we do to enforce their intellectual property rights and to defend claims that may be brought against them.

A successful claimant could secure a judgment that requires us to pay substantial damages or prevents us from distributing certain products, obtaining the services of certain employees or independent contractors, or performing certain services. In addition, we might be required to seek a license for the use of such intellectual property, which may not be available on commercially acceptable terms or at all. Alternatively, we may be required to develop non-infringing technology, which could require significant effort and expense and may ultimately not be successful. Any claims or proceedings against us, whether meritorious or not, could be time consuming, result in costly litigation, require significant amounts of management time, result in the diversion of significant operational resources, or require us to enter into royalty or licensing agreements.

Although we may be able to seek indemnification from our component suppliers and certain of our third-party manufacturers who have provided us with design and build services, these third-party manufacturers or component suppliers may contest their obligations to indemnify us, or their available assets or indemnity obligation may not be sufficient to cover our losses.

***Our obligations to indemnify our channel partners and network operators against intellectual property infringement claims could cause us to incur substantial costs.***

We have agreed, and expect to continue to agree, to indemnify our channel partners and network operators for certain intellectual property infringement claims. If intellectual property infringement claims are made against our channel partners or network operators concerning our products, we could be required to indemnify them for losses resulting from such claims or to refund amounts they have paid to us. The maximum potential amount of future payments we could be required to make may be substantial or unlimited and could materially harm our business. We may in the future agree to defend and indemnify our distributors, network operators and other parties, even if we do not believe that we have an obligation to indemnify them or that our services

and products infringe the asserted intellectual property rights. Alternatively, we may reject certain of these indemnity demands, which may lead to disputes with a distributor, network operator or other party and may negatively impact our relationships with the party demanding indemnification or result in litigation against us.

***If our third-party manufacturers do not respect our intellectual property and trade secrets and produce competitive products using our design, our business would be harmed.***

We outsource manufacture, and in some cases hardware design, to third-party manufacturers predominantly in Mexico and China. Prosecution of intellectual property infringement and trade secret theft is more difficult in some of these jurisdictions than in the United States. Although our agreements with our third-party manufacturers generally preclude them from misusing our intellectual property and trade secrets, or using our designs to manufacture product for our competitors, we may be unsuccessful in monitoring and enforcing our intellectual property rights and may find counterfeit goods in the market being sold as our products or products similar to ours produced for our competitors using our intellectual property. Although we take steps to stop counterfeits, we may not be successful and network operators who purchase these counterfeit goods may experience product defects or failures, harming our reputation and brand and causing us to lose future sales.

***We use open source software in our products that may subject our firmware to general release or require us to re-engineer our products and the firmware contained therein, which may cause harm to our business.***

We incorporate open source software into our products. Use and distribution of open source software may entail greater risks than use of third-party commercial software, as open source licensors generally do not provide warranties or other contractual protections regarding infringement claims or the quality of the software code. Some open source licenses contain requirements that we make available source code for modifications or derivative works we create based upon the open source software and that we license such modifications or derivative works under the terms of a particular open source license or other license granting third parties certain rights of further use. If we combine our proprietary firmware or other software with open source software in a certain manner, we could, under certain of the open source licenses, be required to release our proprietary source code publicly or license such source code on unfavorable terms or at no cost. Open source license terms relating to the disclosure of source code in modifications or derivative works to the open source software are often ambiguous and few if any courts in jurisdictions applicable to us have interpreted such terms. As a result, many of the risks associated with usage of open source software cannot be eliminated, and could, if not properly addressed, negatively affect our business.

If we were found to have inappropriately used open source software, we may be required to release our proprietary source code, re-engineer our firmware or other software, discontinue the sale of our products in the event re-engineering cannot be accomplished on a timely basis or take other remedial action that may divert resources away from our development efforts, any of which could adversely increase our expenses and delay our ability to release our products for sale. We could also be subject to similar conditions or restrictions should there be any changes in the licensing terms of the open source software incorporated into our products.

## **Risks related to this offering and ownership of our shares**

***Because Vector Capital will continue to hold a controlling interest in us, the influence of our public shareholders over significant corporate actions will be limited.***

After this offering, affiliates of Vector Capital will directly or indirectly own approximately \_\_\_\_\_ % of our outstanding shares through their ownership of VCH, L.P., or \_\_\_\_\_ % if the underwriters exercise their option to purchase additional shares in full. As a result, after this offering, Vector Capital will continue to have the power to:

- control all matters submitted to our shareholders;

## Table of Contents

- elect our directors; and
- exercise control over our business, policies and affairs.

Vector Capital is not prohibited from selling its interest in us to third parties. Accordingly, our ability to engage in significant transactions, such as a merger, acquisition or liquidation, is limited without the consent of Vector Capital. Conflicts of interest could arise between us and Vector Capital, and any conflict of interest may be resolved in a manner that does not favor us. Vector Capital may continue to retain control of us for the foreseeable future and may decide not to enter into a transaction in which you would receive consideration for your shares that is much higher than the cost to you or the then-current market price of those shares. In addition, Vector Capital could elect to sell a controlling interest in us and you may receive less than the then-current fair market value or the price you paid for your shares. Any decision regarding their ownership of us that Vector Capital may make at some future time will be in their absolute discretion.

In addition, pursuant to the terms of our Amended and Restated Memorandum and Articles of Association, Vector Capital and its affiliates have the right to, and have no duty to abstain from, exercising its right to engage or invest in the same or similar business as us, and do business with any of our channel partners, distributors, network operators and any other party with which the Company does business. In the event that any of our directors or officers who is also a director, officer or employee of Vector Capital or its affiliates acquires knowledge of a corporate opportunity or is offered a corporate opportunity, then Vector Capital or its affiliates may pursue or acquire such corporate opportunity without presenting the corporate opportunity to us without liability, and to the maximum extent permitted by applicable law, such relevant director will be deemed to have fully satisfied their fiduciary duty if the knowledge of such corporate opportunity was not acquired solely in such person's capacity as our director or officer and such person acted in good faith.

In addition, pursuant to our Amended and Restated Memorandum and Articles of Association, a director who is in any way interested in a contract or transaction with the Company will declare the nature of his interest at a meeting of the board of directors. A director may vote in respect of any such contract or transaction notwithstanding that he may be interested therein and if he does so his vote will be counted and he may be counted in the quorum at any meeting of the board of directors at which any such contract or transaction shall come before the meeting of the board of directors for consideration. In connection with this offering, we have adopted a written audit committee charter, pursuant to which the audit committee must review all related party transactions required to be disclosed in our financial statements and approve any such related party transaction, unless the transaction is approved by another independent committee of our board.

***We will be a controlled company within the meaning of Nasdaq rules and, as a result, will qualify for and will rely on exemptions from certain corporate governance requirements.***

After the completion of this offering, Vector Capital will continue to control a majority of the voting power of our outstanding shares. As a result, we will be a controlled company within the meaning of the corporate governance standards of the Nasdaq. Under Nasdaq rules, a controlled company may elect not to comply with certain corporate governance requirements of the Nasdaq, including the requirements that:

- a majority of the board of directors consist of independent directors;
- the nominating and corporate governance committee be composed entirely of independent directors with a written charter addressing the committee's purpose and responsibilities;
- the compensation committee be composed entirely of independent directors with a written charter addressing the committee's purpose and responsibilities; and
- there be an annual performance evaluation of the nominating and corporate governance and compensation committees.

## [Table of Contents](#)

Following this offering, we intend to utilize these exemptions, including the exemption for a board of directors composed of a majority of independent directors. In addition, although we have adopted charters for our audit and compensation committees and intend to conduct annual performance evaluations for these committees, none of these committees will be composed entirely of independent directors immediately following the completion of this offering. We will rely on the phase-in rules of the SEC and Nasdaq with respect to the audit committee. These rules permit us to have an audit committee that has one member that is independent upon the effectiveness of the registration statement of which this prospectus forms a part, a majority of members that are independent within 90 days thereafter and all members that are independent within one year thereafter. Accordingly, you may not have the same protections afforded to shareholders of companies that are subject to all of the corporate governance requirements of Nasdaq.

***No public market for our shares currently exists, and an active public trading market may not develop or be sustained following this offering.***

Prior to this offering, there has been no public market or active private market for our shares. Although our shares have been approved for listing on Nasdaq, an active trading market may not develop following the completion of this offering or, if developed, may not be sustained. The lack of an active market may impair your ability to sell your shares at the time you wish to sell them or at a price that you consider reasonable. The lack of an active market may also reduce the market price of your shares. An inactive market may also impair our ability to raise capital by selling shares and may impair our ability to acquire other companies or technologies by using our shares as consideration.

The initial public offering price for our shares will be determined through our negotiations with the underwriters, and may not bear any relationship to the market price at which our shares will trade after this offering or to any other established criteria of the value of our business. The price of our shares that will prevail in the market after this offering may be higher or lower than the price you pay, depending on many factors, many of which are beyond our control and may not be related to our operating performance.

***The price of our shares may be volatile, and you could lose all or part of your investment.***

The trading price of our shares following this offering may fluctuate substantially and may be higher or lower than the initial public offering price. The trading price of our shares following this offering will depend on a number of factors, including those described in this "Risk factors" section, many of which are beyond our control and may not be related to our operating performance. These fluctuations could cause you to lose all or part of your investment in our shares since you might be unable to sell your shares at or above the price you paid in this offering. Factors that could cause fluctuations in the trading price of our shares include the following:

- the financial projections we may provide to the public, any changes in those projections or our failure to meet those projections;
- actual or anticipated developments in our business or our competitors' businesses or the competitive landscape generally;
- sales of our shares by us or our shareholders;
- failure of financial analysts to maintain coverage of us, changes in financial estimates by any analysts who follow our company, or our failure to meet these estimates or the expectations of investors;
- operating performance or stock market valuations of other technology companies generally, or those in our industry in particular;

## Table of Contents

- announced or completed acquisitions of businesses or technologies by us or our competitors;
- general economic conditions and slow or negative growth of our markets;
- rumors and market speculation involving us or other companies in our industry;
- litigation involving us, our industry or both or investigations by regulators into our operations or those of our competitors;
- developments or disputes concerning our intellectual property or other proprietary rights;
- new laws or regulations or new interpretations of existing laws or regulations applicable to our business;
- changes in accounting standards, policies, guidelines, interpretations or principles;
- any major change in our management; and
- other events or factors, including those resulting from war, incidents of terrorism or responses to these events.

In addition, the stock market in general, and the market for technology companies in particular, have experienced extreme price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of those companies. Broad market and industry factors may seriously affect the market price of our shares, regardless of our actual operating performance. In the past, following periods of volatility in the overall market and the market prices of particular companies' securities, securities class action litigations have often been instituted against these companies. Litigation of this type, if instituted against us, could result in substantial costs and a diversion of our management's attention and resources.

### ***Our share price could decline due to the large number of our outstanding shares eligible for future sale.***

Sales of substantial amounts of our shares in the public market following this offering, or the perception that these sales could occur, could cause the market price of our shares to decline. These sales could also make it more difficult for us to sell equity or equity-related securities in the future at a time and price that we deem appropriate.

Upon completion of this offering, we will have                      outstanding shares based on the number of shares outstanding on                      and assuming no exercise of the underwriters' option and the completion of the Recapitalization. The shares sold pursuant to this offering will be immediately tradable without restriction. The remaining shares will become eligible for sale, subject to the provisions of Rule 144 or Rule 701, upon the expiration of agreements not to sell such shares entered into between the underwriters and such shareholders beginning 180 days after the date of this prospectus, subject to extension in certain circumstances.

We and our directors, officers and holders of substantially all of our shares and securities convertible into or exchangeable for our shares have agreed or will agree that, without the prior written consent of J. P. Morgan Securities LLC and Goldman Sachs & Co. LLC on behalf of the underwriters, we and they will not, during the period ending 180 days after the date of this prospectus:

- offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend, or otherwise transfer or dispose of, directly or indirectly, any of our shares or securities convertible into or exercisable or exchangeable for our shares; or
- enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of our shares;

## [Table of Contents](#)

whether any transaction described above is to be settled by delivery of our shares or such other securities, in cash or otherwise. This agreement is subject to certain exceptions as set forth in the section entitled "Underwriting."

The representatives of the underwriters may, in their sole discretion and at any time without notice, release all or any portion of the securities subject to lock-up agreement. After the completion of this offering, we intend to register \_\_\_\_\_ shares issued in the Recapitalization and that have been reserved for future issuance under our share incentive plans.

At any time after the expiration of the lock-up agreements entered into in connection with this public offering and when we are ineligible to use a registration statement on Form S-3, Vector Capital will have two demand registration rights, which, when and if exercised, will require us to file a registration statement on Form S-1 with the SEC covering the resale of all or a portion of our registrable securities held by VCH, L.P. At any time that we are eligible to use a registration statement on Form S-3, Vector Capital may at any time require us to file such registration statement with the SEC for all or any portion of our registrable securities held by VCH, L.P. We shall cause any registration statement to be filed as soon as practicable and use our best efforts to cause such shelf registration statement to be declared effective as soon as practicable following the filing of the shelf registration statement and to keep such shelf registration statement in effect until all of the registrable securities held by VCH, L.P. have been resold.

The filing of this shelf registration statement and the existence or exercise of these registration rights may result in the perception of or actual sales of substantial amounts of our shares in the public market following this offering, which may make it difficult for us to raise additional capital.

We may issue our shares or securities convertible into our shares from time to time in connection with a financing, acquisition, investments or otherwise. Any such issuance could result in substantial dilution to our existing shareholders and cause the trading price of our shares to decline.

***We may invest or spend the proceeds of this offering in ways with which you may not agree or which may not yield a return.***

Our management will have broad discretion to use the net proceeds we receive from this offering, and you will be relying on its judgment regarding the application of these proceeds. We expect to use the net proceeds from this offering as described under the heading "Use of proceeds." We may also use a portion of the net proceeds to acquire or invest in complementary businesses, technologies or other assets. Our management will have considerable discretion in the application of the net proceeds, and you will not have the opportunity, as part of your investment decision, to assess whether the proceeds are being used appropriately. The net proceeds to us from this offering may be invested with a view towards long-term benefits for our shareholders, and this may not increase our operating results or the market value of our shares. Until the net proceeds are used, they may be placed in investments that do not produce significant income or that may lose value.

***If you purchase our shares in this offering, you will experience substantial and immediate dilution.***

If you purchase our shares in this offering, you will experience substantial and immediate dilution of \$ \_\_\_\_\_ per share based on an assumed initial public offering price of \$ \_\_\_\_\_ per share, the midpoint of the range shown on the cover of this prospectus, because the price that you pay will be substantially greater than the pro forma net tangible book value per share that you acquire giving effect to our intended use of proceeds. This dilution is due to the fact that, after giving effect to the return of capital and accumulated yield in connection with this offering, the amount of distributions to existing shareholders will exceed the aggregate consideration they paid for their shares. You will experience additional dilution upon the exercise of options to purchase shares under our equity incentive plans, if we issue restricted shares to our employees under these plans or if we otherwise issue additional shares. See "Dilution."



***Since we do not expect to pay any dividends for the foreseeable future, you may be forced to sell your shares in order to realize a return on your investment.***

We do not anticipate that we will pay any dividends to holders of our shares for the foreseeable future. Any payment of cash dividends will be at the discretion of our board of directors and will depend on our financial condition, capital requirements, legal requirements, earnings, compliance with our credit facility and other factors. Our ability to pay dividends is restricted by the terms of our senior secured credit facilities and might be restricted by the terms of any indebtedness that we incur in the future. Consequently, you should not rely on dividends in order to receive a return on your investment. See “Dividend policy.”

***Our memorandum and articles of association contain anti-takeover provisions that could have a material adverse effect on the rights of holders of our shares.***

Our Amended and Restated Memorandum and Articles of Association contain provisions to limit the ability of others to acquire control of our company through non-negotiated transactions. These provisions could have the effect of depriving our shareholders of an opportunity to sell their shares at a premium over prevailing market prices by discouraging third parties from seeking to obtain control of our company in a tender offer or similar transaction. For example, our board of directors has the authority to issue undesignated, or “blank-check,” preferred shares without shareholder approval. As a result, our board of directors could authorize and issue a series of preferred shares with terms calculated to delay or prevent a change in control of our company or make removal of management more difficult, which may not be in your interest as a holder of our ordinary shares. In addition, our board is staggered and divided into three classes, with each class subject to re-election once every three years on a rotating basis, special meeting of shareholders may only be called by a specified group of directors, executives or shareholders and shareholders must comply with advance notice provisions in order to bring business before or nominate directors for election at shareholder meetings. As a result, shareholders would be prevented from electing an entirely new board of directors at any annual meeting and the ability of shareholders to change the membership of a majority of our board of directors may be delayed.

***Because we are incorporated under Cayman Islands law, you may face difficulties in protecting your interests, and your ability to protect your rights through U.S. courts may be limited.***

We are an exempted company incorporated under the laws of the Cayman Islands. Our corporate affairs are governed by our Amended and Restated Memorandum and Articles of Association, the Companies Law (2018 Revision) of the Cayman Islands and the common law of the Cayman Islands. The rights of shareholders to take action against the directors, actions by minority shareholders and the fiduciary responsibilities of our directors to us under Cayman Islands law are governed by the common law of the Cayman Islands and we have adopted an exclusive forum by law that requires certain shareholder litigations regarding such matters to be brought in Cayman Courts. The common law of the Cayman Islands is derived in part from comparatively limited judicial precedent in the Cayman Islands as well as from the common law of England, the decisions of whose courts are of persuasive authority, but are not binding, on a court in the Cayman Islands. The rights of our shareholders and the fiduciary responsibilities of our directors under Cayman Islands law are not as clearly established as they would be under statutes or judicial precedent in some jurisdictions in the United States. In particular, the Cayman Islands has a less developed body of securities laws than the United States. Some U.S. states, such as Delaware, have more fully developed and judicially interpreted bodies of corporate law than the Cayman Islands.

Shareholders of Cayman Islands exempted companies like us have no general rights under Cayman Islands law to inspect corporate records or to obtain copies of lists of shareholders of these companies. Our directors have discretion under our existing articles of association to determine whether or not, and under what conditions, our corporate records may be inspected by our shareholders, but are not obliged to make them available to our



shareholders. This may make it more difficult for you to obtain the information needed to establish any facts necessary for a shareholder motion or to solicit proxies from other shareholders in connection with a proxy contest.

In addition, the Cayman Islands courts are also unlikely (1) to recognize or enforce against us judgments of courts of the United States based on certain civil liability provisions of U.S. securities laws, or (2) to impose liabilities against us, in original actions brought in the Cayman Islands, based on certain civil liability provisions of U.S. securities laws that are penal in nature. There is no statutory recognition in the Cayman Islands of judgments obtained in the United States, although the courts of the Cayman Islands will in certain circumstances recognize and enforce a foreign judgment of a foreign court of competent jurisdiction without any re-examination of the merits at common law.

As a result of all of the above, our public shareholders may have more difficulty in protecting their interests in the face of actions taken by management, members of the board of directors or large shareholders than they would as shareholders of a public company incorporated in the United States. For a discussion of significant differences between the provisions of the Companies Law (2018 Revision) of the Cayman Islands and the laws applicable to companies incorporated in the United States and their shareholders, see “Description of share capital—Differences in corporate law.”

***The requirements of being a public company may strain our resources, divert management’s attention and affect our ability to attract and retain qualified members of our board of directors.***

As a public company, we will be subject to the reporting requirements of U.S. federal securities laws, the listing requirements of Nasdaq and other applicable securities rules and regulations. Compliance with these rules and regulations will increase our legal and financial compliance costs, make some activities more difficult, time-consuming or costly and increase demand on our systems and resources. We expect the on-going expense of being a public company to increase our operating expenses significantly following the completion of this offering.

We also expect that being a public company will make it more expensive for us to obtain director and officer liability insurance. These factors could also make it more difficult for us to attract and retain qualified members of our board of directors, particularly to serve on our audit committee and compensation committee, and qualified executive officers.

***Our future capital needs are uncertain, and we may need to raise additional funds in the future. If we require additional funds in the future, those funds may not be available on acceptable terms, or at all.***

In the future we may need to raise substantial additional capital based on a variety of factors in order to fund our operations or acquire companies or technology. Our future funding requirements will depend on many factors, including:

- market acceptance of our products and services;
- the cost of our research and development activities;
- the cost of defending, in litigation or otherwise, claims that we infringe third-party patents or violate other intellectual property rights;
- the cost and timing of establishing additional sales, marketing and distribution capabilities;
- the cost and timing of establishing additional technical support capabilities; and
- the effect of competing technological and market developments.

## [Table of Contents](#)

We may require additional funds in the future, and we may not be able to obtain those funds on acceptable terms, or at all. Any debt or additional equity financing that we raise may contain terms that are not favorable to us or our shareholders. Debt financing, if available, may involve covenants restricting our operations or our ability to incur additional debt. Any debt or additional equity financing that we raise may contain terms that are not favorable to us or our shareholders. If we raise additional funds by issuing equity securities, our shareholders may experience dilution. Our Amended and Restated Memorandum and Articles of Association allows our board of directors to authorize the issuance of a series of preferred shares that would grant to such holders conversion rights, preferred rights to our assets upon liquidation, the right to receive dividends before dividends are declared to holders of our ordinary shares, and the right to the redemption of such preferred shares. To the extent that we do issue such preferred shares, your rights as holders of ordinary shares could be impaired thereby, including without limitation, dilution of your ownership interests in us.

***We are an emerging growth company, and any decision on our part to comply only with certain reduced disclosure requirements applicable to emerging growth companies could make our shares less attractive to investors.***

We are an emerging growth company, as defined in the JOBS Act enacted in April 2012, and, for as long as we continue to be an emerging growth company, we may choose to take advantage of exemptions from various reporting requirements applicable to other public companies but not to emerging growth companies, including, but not limited to, not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act, reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements, and exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and shareholder approval of any golden parachute payments not previously approved. We could be an emerging growth company for up to five years after the completion of this offering, although if the market value of our shares that is held by non-affiliates exceeds \$700 million as of any June 30 before that time or if we have total annual gross revenues of \$1.07 billion or more during any fiscal year before that time, we would cease to be an emerging growth company as of the end of that fiscal year, or if we issue more than \$1 billion in non-convertible debt in a three-year period, we would cease to be an emerging growth company immediately. We cannot predict if investors will find our shares less attractive if we choose to rely on these exemptions. If some investors find our shares less attractive as a result of any choices to reduce future disclosure, there may be a less active trading market for our shares and our share price may be more volatile.

Under the JOBS Act, emerging growth companies can delay adopting new or revised accounting standards until such time as those standards apply to private companies. We have irrevocably elected not to avail ourselves of this exemption from new or revised accounting standards and, therefore, we will be subject to the same new or revised accounting standards as other public companies that are not emerging growth companies.

***Our directors may have conflicts of interest because of their ownership of equity interests of, and their employment with, our parent company and our affiliates.***

Two of our directors hold ownership interests in Vector Capital as well as ownership in and employment positions with its affiliates. Ownership interests in Vector Capital by our directors could create, or appear to create, potential conflicts of interest when our directors are faced with decisions that could have different implications for us and for Vector Capital or its affiliates. We cannot assure you that any conflicts of interest will be resolved in our favor. For a further description of our relationship with Vector Capital, see "Certain relationships and related party transactions—Transactions with VCH, L.P. and its affiliates."

***We may face exposure to unknown tax liabilities, which could adversely affect our financial condition, cash flows and results of operations.***

We are subject to income and non-income based taxes in the United States and in various non-U.S. jurisdictions. We file U.S. federal income tax returns as well as income tax returns in various U.S. state and local jurisdictions

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## [Table of Contents](#)

and many non-U.S. jurisdictions. The United States, United Kingdom, India, Mexico, and Brazil are the main taxing jurisdictions in which we operate. Significant judgement is required in dealing with uncertainties in the application of complex tax regulations when calculating our worldwide income tax liabilities and other tax liabilities. We are not aware of any uncertain tax positions as specified by FASB Interpretation No. 48, Accounting for Uncertainty in Income Taxes. We expect to continue to benefit from our implemented tax positions. We believe that our tax positions comply with applicable tax law and intend to vigorously defend our positions. However, as described below, tax authorities could take differing positions on certain issues.

We may be subject to income tax audits in all the jurisdictions in which we operate. The years open for audit vary depending on the tax jurisdiction. In the United States, we are no longer subject to U.S. federal income tax examinations by tax authorities for years before 2014. In the non-U.S. jurisdictions, the tax returns that are open vary by jurisdiction and are generally for tax years between 2012 through 2017. We routinely assess exposures to any potential issues arising from current or future audits of current and prior years' tax returns. When assessing such potential exposures and where necessary, we provide a reserve to cover any expected loss. To the extent that we establish a reserve, we increase our provision for income taxes. If we ultimately determine that payment of these amounts is unnecessary, we reverse the liability and recognize a tax benefit during the period in which we determine that the liability is no longer necessary. We record an additional charge in our provision for taxes in the period in which we determine that tax liability is greater than the original estimate. If the governing tax authorities have a differing interpretation of the applicable law, a successful challenge of any of our tax positions could adversely affect our financial condition, cash flows and/or results of operations.

## Cautionary note regarding forward-looking statements

This prospectus contains forward-looking statements within the meaning of the federal securities laws. All statements other than statements of historical fact contained in this prospectus, including statements regarding our future results of operations and financial position, business strategy and plans and objectives of management for future operations, are forward-looking statements. These statements involve known and unknown risks, uncertainties and other important factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements.

In some cases, you can identify forward-looking statements by terms such as “may,” “should,” “expects,” “plans,” “anticipates,” “could,” “intends,” “target,” “projects,” “contemplates,” “believes,” “estimates,” “predicts,” “potential” or “continue” or the negative of these terms or other similar expressions. The forward-looking statements in this prospectus are only predictions. We have based these forward-looking statements largely on our current expectations and projections about future events and financial trends that we believe may affect our business, financial condition and results of operations. These forward-looking statements speak only as of the date of this prospectus and are subject to a number of risks, uncertainties and assumptions described in the “Risk factors” section and elsewhere in this prospectus. Because forward-looking statements are inherently subject to risks and uncertainties, some of which cannot be predicted or quantified, you should not rely on these forward-looking statements as predictions of future events. The events and circumstances reflected in our forward-looking statements may not be achieved or occur and actual results could differ materially from those projected in the forward-looking statements. Some of the key factors that could cause actual results to differ from our expectations include:

- the unpredictability of our operating results;
- our inability to predict and respond to emerging technological trends and network operators’ changing needs;
- our reliance on third-party manufacturers, which subjects us to risks of product delivery delays and reduced control over product costs and quality;
- our reliance on distributors and value-added resellers for the substantial majority of our sales;
- the inability of our third-party logistics and warehousing providers to deliver products to our channel partners and network operators in a timely manner;
- the quality of our support and services offerings;
- our or our distributors’ and channel partners’ inability to attract new network operators or sell additional products to network operators that currently use our products;
- the difficulty of comparing or forecasting our financial results on a quarter-by-quarter basis due to the seasonality of our business;
- our limited or sole source suppliers’ inability to produce third-party components to build our products;
- the technological complexity of our products, which may contain undetected hardware defects or software bugs;
- our channel partners’ inability to effectively manage inventory of our products, timely resell our products or estimate expected future demand;

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## [Table of Contents](#)

- credit risk of our channel partners, which could adversely affect their ability to purchase or pay for our products;
- our inability to manage our growth and expand our operations;
- unpredictability of sales and revenues due to lengthy sales cycles;
- our inability to maintain an effective system of internal controls, remediate our material weakness, produce timely and accurate financial statements or comply with applicable regulations;
- our reliance on the availability of third-party licenses;
- risks associated with international sales and operations;
- current or future unfavorable economic conditions, both domestically and in foreign markets;
- our inability to obtain intellectual property protections for our products; and
- our use of proceeds from this offering.

Except as required by applicable law, we do not plan to publicly update or revise any forward-looking statements contained herein until after we distribute this prospectus, whether as a result of any new information, future events or otherwise.

## Market, industry and other data

This prospectus contains estimates, projections and information concerning our industry, including market size and growth rates of the markets in which we participate, and discussion of our general expectations, market position, and market opportunity. This information is based on various sources, including industry publications, surveys and forecasts, on assumptions that we have made that are based on such data and other similar sources and on our knowledge of the markets for our services. Certain statistical data, estimates and forecasts contained in this prospectus are sourced from the following independent industry publications or reports, in some cases, as modified based on communications with representatives of such industry research companies:

- Cisco Visual Networking Index: Forecast and Methodology, 2016–2021, June 6, 2017;
- International Data Corporation, Inc., Market Forecast: Worldwide Enterprise WLAN Forecast, 2018–2022, January 2018;
- QYResearch, 2018 Market Research Report on Global Point-to-Multipoint Microwave Backhaul Systems Industry; and
- Sky Light Research, LLC, Microwave Point-to-Point Radio Equipment Worldwide Five Year Forecast Report, Calendar Year 2017–2021.

Each of these reports is based on a number of assumptions and limitations. Industry data and other third-party information have been obtained from sources believed to be reliable, but we have not independently verified any third-party information. In addition, projections, assumptions and estimates of our future performance and the future performance of the industry in which we operate is necessarily subject to a high degree of uncertainty and risk due to a variety of factors, including those described in the section titled “Risk factors” and elsewhere in this prospectus. These and other factors could cause results to differ materially from those expressed in the estimates made by third parties and by us.

## Use of proceeds

We estimate that the net proceeds from the sale of the \_\_\_\_\_ shares that we are selling in this offering will be approximately \$ \_\_\_\_\_ million, based on an assumed initial public offering price of \$ \_\_\_\_\_ per share, the midpoint of the range on the front cover of this prospectus, after deducting estimated underwriting discounts and commissions and estimated offering expenses. If the underwriters fully exercise their option to purchase additional shares in this offering, we estimate that our net proceeds will be approximately \$ \_\_\_\_\_ million.

Each \$1.00 increase (decrease) in the assumed initial public offering price of \$ \_\_\_\_\_ per share, which is the midpoint of the price range set forth on the cover page of this prospectus, would increase (decrease) the net proceeds from this offering by \$ \_\_\_\_\_ million, assuming that the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same and after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us. Similarly, each 1,000,000 share increase (decrease) in the number of shares offered by us would increase (decrease) the net proceeds from this offering by \$ \_\_\_\_\_ million, assuming no change in the assumed initial public offering price per share and after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us.

The principal purposes of this offering are to create a public market for our shares, facilitate access to the public equity markets, increase our visibility in the marketplace and obtain additional capital.

We intend to use approximately \$44.9 million of the net proceeds from this offering to return capital and accumulated yield and \$5.1 million of the net proceeds from this offering to pay management fees, in each case, to VCH, L.P. and its affiliates. For further information on how these amounts were determined, please refer to “Prospectus Summary—Recapitalization and return of capital” and “Certain relationships and related party transactions—Transactions with VCH, L.P. and its affiliates.” Aside from these payments, we will have no future obligations to return capital or pay management fees to VCH, L.P., Vector Capital or any of its affiliated entities after this offering.

We expect to use the remainder of the net proceeds from this offering for working capital and general corporate purposes. We may also use a portion of the net proceeds from this offering to repay indebtedness under our credit facility. In addition, we believe that opportunities may exist from time to time to expand our current business through acquisitions of or investments in complementary products, technologies or businesses. While we have no agreements, commitments or understandings for any specific acquisitions at this time, we may use a portion of the net proceeds from this offering for these purposes.

Aside from the return of capital and accumulated yield and payment of management fees to VCH, L.P. and its affiliates, our management will have broad discretion in the application of the net proceeds from this offering, and investors will be relying on the judgment of our management regarding the application of the net proceeds. The timing and amount of our actual expenditures will be based on many factors, including cash flows from operations, the anticipated growth of our business, and the availability and terms of alternative financing sources to fund our growth. Pending use of the net proceeds as described above, we intend to invest the proceeds in short-term, interest-bearing obligations, investment-grade securities, certificates of deposit or direct or guaranteed obligations of the U.S. government. The goal with respect to the investment of these net proceeds will be capital preservation and liquidity so that these funds are readily available to fund our operations.

## Dividend policy

In December 2017, we distributed an aggregate of \$75.0 million to VCH, L.P. to redeem outstanding preference shares of Cambium Networks Ltd., our subsidiary, held by VCH, L.P., pay interest and return capital. As noted above, as part of the Recapitalization, we expect to declare a dividend to VCH, L.P. as the sole holder of our shares immediately prior to this offering, and to pay the dividend using a portion of the net proceeds of this offering. The dividend will be equal to the VCH Return of Capital, which was \$44.9 million as of March 31, 2018. See "Offering summary" for more information. Other than the VCH Return of Capital, we do not have any present plan to pay any other cash dividends on our shares in the foreseeable future after the completion of this offering. We currently intend to retain our available funds and any future earnings to operate and expand our business.

Our board of directors has discretion as to whether to distribute dividends, subject to certain requirements of Cayman Islands law. In addition, our shareholders may by ordinary resolution declare a dividend, but no dividend may exceed the amount recommended by our directors. Under Cayman Islands law, a Cayman Islands exempted company may pay a dividend out of either profit, share premium account or distributable reserves, provided that in no circumstances may a dividend be paid if this would result in the company being unable to pay its debts as they fall due in the ordinary course of business. Even if our board of directors decides to pay dividends, the form, frequency and amount will depend upon our future operations and earnings, capital requirements and surplus, general financial condition, contractual restrictions and other factors that the board of directors may deem relevant. Our credit facility contains covenants that limit our ability to pay dividends on our shares.

We are a holding company incorporated in the Cayman Islands. For our cash requirements, including any payment of dividends to our shareholders, we rely on dividends or other distributions by our subsidiary in England, and its subsidiaries in the United States and elsewhere.



## Capitalization

The following table sets forth our cash balances and capitalization as of March 31, 2018:

- on an actual basis;
- on a pro forma basis reflecting (i) the Recapitalization, based on an assumed initial public offering price of \$ \_\_\_\_\_, the midpoint of the range on the cover of this prospectus, and (ii) the filing of our Amended and Restated Memorandum and Articles of Association, which will occur immediately prior to the completion of this offering; and
- on a pro forma as adjusted basis reflecting (i) the pro forma adjustments indicated above, (ii) the receipt by us of the net proceeds from the sale of \_\_\_\_\_ shares in this offering at an assumed initial public offering price of \$ \_\_\_\_\_ per share, the midpoint of the range on the front cover of this prospectus, after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us and (iii) the application of the net proceeds of the offering as described in “Use of proceeds.”

The pro forma as adjusted information set forth in the table below is illustrative only and will be adjusted based on the actual initial public offering price and other terms of this offering determined at pricing. This information should be read in conjunction with “Management’s discussion and analysis of financial condition and results of operations” and our consolidated financial statements and related notes included elsewhere in this prospectus.

(in thousands, except share and per share data) (unaudited)	As of March 31, 2018		
	Actual	Pro forma	Pro forma as adjusted
Cash	\$ 4,492	\$ _____	\$ _____
Total debt	95,875	_____	_____
Shares, \$ _____ par value per share; _____ shares authorized pro forma; _____ shares authorized pro forma as adjusted; _____ shares issued and outstanding pro forma; and _____ shares issued and outstanding pro forma as adjusted	772	_____	_____
Additional paid-in capital	24,651	_____	_____
Accumulated other comprehensive income	120	_____	_____
Accumulated deficit	(44,487)	_____	_____
Total shareholders’ (deficit) equity	(18,944)	_____	_____
Total capitalization	\$ 76,931	\$ _____	\$ _____

Each \$1.00 increase (decrease) in the assumed initial public offering price of \$ \_\_\_\_\_ per share, which is the midpoint of the price range set forth on the cover page of this prospectus, would increase (decrease) the pro forma as adjusted amount of cash and cash equivalents, additional paid-in capital, total shareholders’ equity and total capitalization by \$ \_\_\_\_\_ million, assuming that the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same and after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us. Similarly, each 1,000,000 share increase (decrease) in the number of shares offered by us would increase (decrease) the pro forma as adjusted amount of cash and cash equivalents, additional paid-in capital, total shareholders’ equity and total capitalization by \$ \_\_\_\_\_ million, assuming no change in the assumed initial public offering price per share and after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us.

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[Table of Contents](#)

The preceding table:

- assumes that the underwriters do not exercise their option in this offering to purchase additional shares;
- excludes shares subject to unvested restricted share awards;
- excludes shares underlying restricted share units; and
- excludes shares reserved for future issuance under our 2018 Share Incentive Plan.

## Dilution

If you invest in our shares, your interest will be diluted to the extent of the difference between the initial public offering price per share and our net tangible book value per share immediately after the completion of this offering. Dilution results from the fact that the initial public offering price per share is substantially in excess of the book value per share attributable to the existing shareholders for our presently outstanding shares.

Our pro forma net tangible book value as of March 31, 2018 was \$ \_\_\_\_\_, or \_\_\_\_\_ per share. Pro forma net tangible book value per share represents the amount of total consolidated assets, minus the amounts of intangible assets, goodwill and total liabilities, divided by the total number of shares outstanding after giving effect to the Recapitalization on a pro forma basis. Dilution is determined by subtracting pro forma as adjusted net tangible book value per share, after giving effect to the additional proceeds we will receive from this offering, from the assumed initial public offering price per share.

Without taking into account any other changes in such net tangible book value after March 31, 2018, other than to give effect to the issuance and sale of \_\_\_\_\_ shares in this offering at an assumed initial public offering price of \$ \_\_\_\_\_ per share, the midpoint of the price range set forth on the cover page of this prospectus, and after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us and assuming the underwriters' option to purchase additional shares is not exercised, our pro forma as adjusted net tangible book value as of March 31, 2018 would have been \$ \_\_\_\_\_ per outstanding share. This represents an immediate increase in net tangible book value of \$ \_\_\_\_\_ per share, to existing shareholders and an immediate dilution in net tangible book value of \$ \_\_\_\_\_ per share, to investors purchasing shares in this offering. The pro forma information discussed above is illustrative only.

The following table illustrates such dilution:

Assumed initial public offering price per share		\$
Pro forma net tangible book value per share as of March 31, 2018	\$	
Increase in pro forma as adjusted net tangible book value per share attributable to new investors purchasing shares in this offering		_____
Pro forma as adjusted net tangible book value per share after this offering		_____
Dilution per share to new investors purchasing shares in this offering		\$ _____

Each \$1.00 increase (decrease) in the assumed initial public offering price of \$ \_\_\_\_\_ per share, which is the midpoint of the price range set forth on the cover page of this prospectus, would increase (decrease) our pro forma as adjusted net tangible book value by \$ \_\_\_\_\_ million, our pro forma as adjusted net tangible book value per share after this offering by \$ \_\_\_\_\_ and the dilution per share to new investors purchasing shares in this offering by \$ \_\_\_\_\_, assuming that the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same and after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us. An increase of 1,000,000 shares in the number of shares offered by us would increase our pro forma as adjusted net tangible book value per share after this offering by \$ \_\_\_\_\_ and decrease the dilution per share to new investors participating in this offering by \$ \_\_\_\_\_, assuming no change in the assumed initial public offering price and after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us. A decrease of 1,000,000 shares in the number of shares offered by us would decrease our pro forma as adjusted net tangible book value per share after this offering by \$ \_\_\_\_\_ and increase the dilution per share to new investors by \$ \_\_\_\_\_, assuming no change in the assumed initial public offering price per share and after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us.

## [Table of Contents](#)

If the underwriters fully exercise their option to purchase additional shares in this offering, our pro forma as adjusted net tangible book value per share after this offering would be \$ \_\_\_\_\_ per share, and the dilution per share to new investors purchasing shares in this offering would be \$ \_\_\_\_\_ per share, in each case assuming an assumed initial public offering price of \$ \_\_\_\_\_ per share, which is the midpoint of the price range set forth on the cover page of this prospectus, and after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us.

The following table summarizes, on a pro forma as adjusted basis as of March 31, 2018, the differences between the existing shareholders as of March 31, 2018 and the new investors with respect to the number of shares purchased from us in this offering, the total consideration paid and the average price per share paid at an assumed initial public offering price of \$ \_\_\_\_\_ per share before deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us. The total number of ordinary shares does not include shares underlying the shares issuable upon exercise of the option to purchase additional shares which we have granted to the underwriters.

	<u>Shares purchased</u>		<u>Total consideration</u>	<u>Average price per share</u>
	<u>Number</u>	<u>Percent</u>		
Existing Investors		%	\$ _____*	\$ _____*
New Investors				
<b>Total</b>	<u>          </u>	<u>      %</u>		

\* After giving effect to the return of capital and accumulated yield in connection with this offering, the amount of distributions to existing shareholders, in the aggregate, will exceed the total consideration paid for such shares.

If the underwriters exercise their option to purchase additional shares in full, the percentage of shares held by existing shareholders will decrease to approximately \_\_\_\_\_ % of the total number of our shares outstanding after this offering, and the number of shares held by new investors will be increased to \_\_\_\_\_, or approximately \_\_\_\_\_ % of the total number of our shares outstanding after this offering.

The preceding table excludes, as of March 31, 2018:

- \_\_\_\_\_ shares subject to unvested restricted share awards;
- \_\_\_\_\_ shares underlying restricted share units; and
- \_\_\_\_\_ shares reserved for future issuance under our 2018 Share Incentive Plan.

## Selected consolidated financial data

The selected consolidated financial data for 2016 and 2017 and the selected consolidated balance sheet data as of December 31, 2016 and 2017 are derived from our audited consolidated financial statements included elsewhere in this prospectus. The selected consolidated financial data for the three months ended March 31, 2017 and 2018 and the selected consolidated balance sheet data as of March 31, 2018 have been derived from our unaudited interim financial statements included elsewhere in this prospectus. Our historical results are not necessarily indicative of the results to be expected in any future period, and the results for any interim period are not necessarily indicative of the results that may be expected in any full year. You should read the following selected consolidated financial data in conjunction with the section of this prospectus titled "Management's discussion and analysis of financial condition and results of operations" and our consolidated financial statements and related notes appearing elsewhere in this prospectus.

(in thousands, except share and per share data)	2016	2017	Three months ended March 31,	
			2017	2018
			(unaudited)	
<b>Consolidated Statements of Income Data:</b>				
Revenues	\$ 181,444	\$ 216,671	\$48,808	\$ 58,453
Costs of revenues	91,715	105,960	23,099	30,250
Gross profit	89,729	110,711	25,709	28,203
Operating expenses:				
Research and development	26,267	32,227	6,950	9,385
Sales and marketing	29,621	37,209	8,209	10,419
General and administrative	13,218	17,578	3,321	4,321
Depreciation and amortization	8,433	8,824	2,088	2,370
Total operating expenses	77,539	95,838	20,568	26,495
Operating income	12,190	14,783	5,141	1,708
Interest expense	7,565	5,018	1,493	1,758
Other expense, net	165	474	35	231
Income (loss) before income taxes	4,460	9,381	3,613	(281)
Provision (benefit) for income taxes	1,547	(418)	771	(54)
Net income (loss)	2,913	9,799	2,842	(227)
Less: Net income attributable to non-controlling interest	638	671	170	—
Net income (loss) attributable to shareholders	<u>\$ 2,275</u>	<u>\$ 9,128</u>	<u>\$ 2,672</u>	<u>\$ (227)</u>
Earnings (loss) per share: <sup>(1)</sup>				
Basic and diluted	<u>\$2,947.69</u>	<u>\$11,827.05</u>	<u>\$3,462.08</u>	<u>\$ (294.12)</u>
Shares outstanding:				
Basic and diluted	<u>771.79</u>	<u>771.79</u>	<u>771.79</u>	<u>771.79</u>
Pro forma net income (loss) per share,				
Basic and diluted (unaudited)		<u>\$</u>		<u>\$</u>
Pro forma weighted average shares used in computing basic and diluted net income (loss) per share (unaudited) <sup>(2)</sup>				

## Table of Contents

- (1) Share numbers reflect historical outstanding share numbers as reflected in the consolidated financial statements and do not reflect the effect of the Recapitalization. For further information please see "Prospectus summary—Recapitalization and return of capital" and Note 13 to our consolidated financial statements.
- (2) The unaudited calculation of the denominator of basic and diluted EPS gives effect to the adjustments to reflect the weighted average effect of the return of capital and accumulated yield in the Recapitalization as of December 31, 2017 and March 31, 2018, as if the transaction occurred at January 1, 2017.

(in thousands)	As of December 31,		As of
	2016	2017	March 31, 2018 (unaudited)
<b>Consolidated Balance Sheet Data</b>			
Cash	\$ 14,627	\$ 7,377	\$ 4,492
Working capital	42,549	30,986	35,059
Total assets	118,762	121,613	125,641
Total debt <sup>(1)</sup>	122,182	87,377	93,392
Total shareholders' deficit <sup>(2)</sup>	(41,055)	(17,826)	(18,944)

(1) Total debt includes external debt and loan from VCH, L.P. Total debt is net of deferred issuance costs of \$0.0 million, \$2.6 million and \$2.5 million at December 31, 2016, December 31, 2017 and March 31, 2018, respectively.

(2) Total shareholders' deficit includes non-controlling interest.

## Non-GAAP financial measure

In addition to providing financial measurements based on generally accepted accounting principles in the United States (GAAP), we provide an additional financial metric that is not prepared in accordance with GAAP (non-GAAP). Management uses this non-GAAP financial measure, in addition to GAAP financial measures, to understand and compare operating results across accounting periods, for financial and operational decision making, for planning and forecasting purposes, to measure executive compensation and to evaluate our financial performance. We believe that this non-GAAP financial measure helps us to identify underlying trends in our business that could otherwise be masked by the effect of the expenses that we exclude in the calculations of the non-GAAP financial measure.

Accordingly, we believe that this financial measure reflects our ongoing business in a manner that allows for meaningful comparisons and analysis of trends in the business and provides useful information to investors and others in understanding and evaluating our operating results, enhancing the overall understanding of our past performance and future prospects. Although the calculation of non-GAAP financial measures may vary from company to company, our detailed presentation may facilitate analysis and comparison of our operating results by management and investors with other peer companies, many of which use a similar non-GAAP financial measure to supplement their GAAP results in their public disclosures. This non-GAAP financial measure is Adjusted EBITDA, as discussed below.

**Adjusted EBITDA.** Adjusted EBITDA is defined as net income as reported in our consolidated statements of income excluding the impact of (i) interest expense (income), net; (ii) income tax provision (benefit); (iii) depreciation and amortization expense and (iv) Sponsor fees associated with advisory services. EBITDA is widely used by securities analysts, investors and other interested parties to evaluate the profitability of companies. EBITDA eliminates potential differences in performance caused by variations in capital structures (affecting net finance costs), tax positions (such as the availability of net operating losses against which to relieve taxable profits), the cost and age of tangible assets (affecting relative depreciation expense) and the extent to which intangible assets are identifiable (affecting relative amortization expense). We adjust EBITDA to also exclude Sponsor fees, in order to eliminate the impact on reported performance caused by these fees, which are related to our ownership structure.

[Table of Contents](#)

This non-GAAP financial measure does not replace the presentation of our GAAP financial results and should only be used as a supplement to, not as a substitute for, our financial results presented in accordance with GAAP. There are limitations in the use of non-GAAP measures, because they do not include all the expenses that must be included under GAAP and because they involve the exercise of judgment concerning exclusions of items from the comparable non-GAAP financial measure. In addition, other companies may use other measures to evaluate their performance, or may calculate non-GAAP measures differently, all of which could reduce the usefulness of our non-GAAP financial measures as tools for comparison.

The following table reconciles Adjusted EBITDA to net income (loss), the most directly comparable financial measure, calculated and presented in accordance with GAAP (unaudited and in thousands):

(in thousands)	2016	2017	Three months ended	
			2017	March 31, 2018
<b>GAAP net income (loss)</b>	\$ 2,913	\$ 9,799	\$ 2,842	\$ (227)
<b>Adjustments</b>				
Net interest expense	7,565	5,018	1,493	1,758
Income tax provision (benefit)	1,547	(418)	771	(54)
Depreciation and amortization expense	8,433	8,871	2,088	2,370
Sponsor fees	500	2,500	125	125
Total Adjustments	18,045	15,971	4,477	4,199
<b>Adjusted EBITDA</b>	<u>\$ 20,958</u>	<u>\$ 25,770</u>	<u>\$ 7,319</u>	<u>\$ 3,972</u>

# Management’s discussion and analysis of financial condition and results of operations

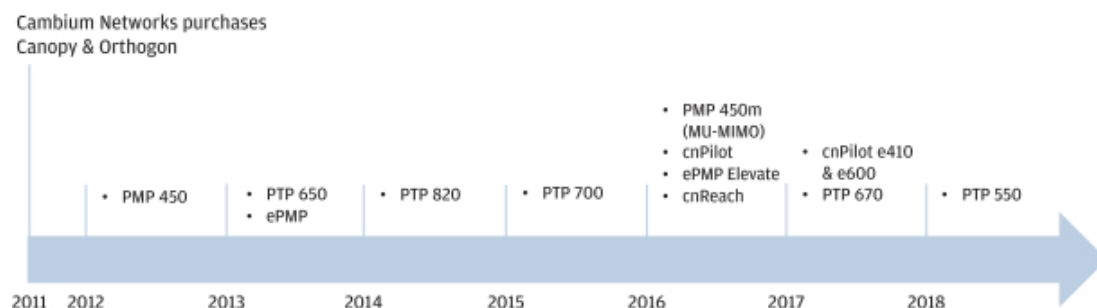
*The following discussion of our financial condition and results of operations should be read together with our consolidated financial statements and related notes and other financial information included in this prospectus. The following discussion contains forward-looking statements that reflect our plans, estimates and beliefs. Our actual results could differ materially from those discussed in the forward-looking statements. Factors that could cause or contribute to these differences include those discussed below and elsewhere in this prospectus, particularly in the section titled “Risk factors.” Our historical results are not necessarily indicative of the results that may be expected for any period in the future, and our interim results are not necessarily indicative of the results we expect for the full calendar year or any other period.*

## Overview

We provide wireless broadband networking infrastructure solutions for network operators, including medium-sized wireless Internet service providers, enterprises and government agencies. Our scalable, reliable and high-performance solutions create a purpose-built wireless fabric that connects people, places and things across distances ranging from two meters to more than 100 kilometers, indoors and outdoors, at attractive economics. Our embedded proprietary RF technology and software enables automated optimization of data flow at the outermost points in the network, which we refer to as the “intelligent edge.”

We were formed in 2011, when Cambium Networks acquired the PTP and PMP businesses from Motorola Solutions. Prior to the acquisition by Cambium Networks, Motorola had invested over a decade in developing the technology and intellectual property assets that formed the foundation of our business, having launched the Canopy PMP business in 1999 and having acquired the Orthogon Systems PTP business in 2006. Following the acquisition, we renamed the business Cambium Networks and leveraged the technology to continue to develop and offer an extensive portfolio of reliable, scalable and secure enterprise-grade fixed wireless broadband PTP and PMP platforms, Wi-Fi and IIoT solutions.

### Key Milestones in Our Development



We offer our wireless broadband solutions in four categories:

- Our PTP backhaul portfolio is comprised of products operating in unlicensed spectrum below 6 GHz, and those operating in licensed spectrum between 6 and 38 GHz. The mainstay of our backhaul offering is the PTP 650/670 for commercial applications and PTP 700 for national security and defense applications, each of which operate in unlicensed spectrum. In addition, our PTP 820 series offers carrier-grade microwave backhaul in licensed spectrum, and our recently introduced PTP 550 offers price-performance leadership in spectral efficiency in unlicensed spectrum.



## [Table of Contents](#)

- Our PMP portfolio ranges from our top-of-the line PMP 450 series products to our ePMP solutions for network operators that need to optimize for both price and performance. The PMP 450 series is optimized for performance in high-density and demanding physical environments, and includes the PMP 450m with integrated *cn*Medusa massive multi-user multiple input/multiple output, or MU-MIMO, technology. For less demanding environments, ePMP provides a high quality platform at a more affordable price, and includes ePMP Elevate software, which enables network operators to scale networks efficiently by leveraging pre-existing CPE from certain other vendors within a Cambium deployment.
- Our *cn*Pilot cloud-managed Wi-Fi solutions for indoor and outdoor enterprise, small business and home applications are based on the 802.11ac Wave 2 standard and offer a range of access points and RF technology that enable network optimization based on desired geographic coverage and user density.
- Our *cn*Reach family of narrow-bandwidth connectivity products enables IIoT applications, such as supervisory control and data acquisition, or SCADA, processes in the oil and gas, electric utility, water, railroad and other industrial settings.

We generate a substantial majority of our sales through our global channel distribution network, including, as of February 1, 2018, over 150 distributors that we sell to directly, together with value added resellers supplied by these distributors. Our channel partners provide lead generation, pre-sales support and product fulfillment. Although we fulfill sales almost exclusively through our channel partners, we engage directly with network operators in our key vertical markets, including wireless Internet service providers, enterprises, industrial communications, federal defense and national security agencies, and state and local governments, through our global sales personnel and regional technical managers. Our sales personnel and technical managers respond to bids or requests for quotes, typically in collaboration with a channel partner. Our distributors carry inventory of our products for resale, and generally have stock rotation rights only if they simultaneously place an off-setting order for product. As such, we generally recognize revenue from sales to distributors on a sell-in basis, and manage our finished goods inventory efficiently to plan for distributor demand.

We outsource production to third-party manufacturers, which are responsible for purchasing and maintaining inventory of components and raw materials and, in certain cases, we resell third-party products on a white-label basis. We believe that this approach gives us the advantages of relatively low capital investment and significant flexibility in scheduling production, managing inventory levels and providing a comprehensive solution to meet network operator demand. The majority of our products are delivered to us at one of three distribution hubs, where we have outsourced the warehousing and delivery of our products to a third-party logistics provider and from which we manage worldwide fulfillment.

To capitalize on our market opportunity, we invest heavily in growing our business. Our research and development expense in 2016, 2017 and the three months ended March 31, 2017 and 2018 was \$26.3 million, \$32.2 million, \$7.0 million and \$9.4 million, respectively, as we continue to design and develop new products and enhance and refresh existing products. Similarly, our sales and marketing expense in 2016, 2017 and the three months ended March 31, 2017 and 2018 was \$29.6 million, \$37.2 million, \$8.2 million and \$10.4 million, respectively, which was driven both by expansion of our sales force and by increased variable sales expense resulting from our revenue growth. In 2016, 2017 and the three months ended March 31, 2017 and 2018, our revenues were \$181.4 million, \$216.7 million, \$48.8 million and \$58.5 million, respectively. Our net income was \$2.9 million, \$9.8 million and \$2.7 million, and our net loss was \$0.2 million, in 2016, 2017 and the three months ended March 31, 2017 and 2018, respectively.

## **Trends and other factors affecting our business**

The future growth of our business will be substantially dependent on our ability to capitalize on growing global demand for fixed wireless broadband solutions serving low-density urban and rural environments, enterprise Wi-Fi and IIoT applications. To drive adoption of our solutions, we engage both directly and in conjunction with our channel partners to educate network operators about the value proposition of our product offering. We also work continually with network operators that have already deployed our solutions to identify opportunities for scaling existing networks and addressing new use cases with our technology, and we estimate that additional purchases by network operators that have previously purchased our products typically account for a majority of our revenues in any given period. Because we recognize most of our revenues for product sales in the period in which the sale occurs and product revenues comprise over 95% of our total revenues, our future reported operating results will be dependent upon both landing new network operators and expanding our sales to our installed base in the period reported.

Our ability to grow our business will also be substantially affected by the extent to which we are successful in making new product introductions. We invest heavily in research and development to ensure that we are regularly introducing new products to take advantage of evolving technological developments, such as changes in industry standards and Wi-Fi protocols. In addition, new product innovation is driven by regulatory developments in the global markets we serve, such as the availability of new licensed and unlicensed spectrum for fixed wireless broadband communications, as well as evolving technical compliance regimes in local jurisdictions. Our product strategy may also be affected by competitive factors, such as pricing pressure. To address such competitive conditions, we introduced our lower cost ePMP and PTP 550 products that allow us to target certain market segments without compromising our gross margins on our more sophisticated and functionally versatile products. If we experience delays in product development or launch or experience post-launch problems with our products that disrupt market acceptance, our reputation for quality and our operating results could be materially and adversely affected.

Our operating results have historically been affected by seasonal factors. Specifically, because our PTP, PMP and certain cnPilot Wi-Fi products are typically deployed in outdoor settings and a majority of our sales are in the Northern hemisphere, our third quarter generally reflects our highest revenues of the year and our first quarter generally reflects our lowest revenues of the year. The seasonality is largely attributable to weather conditions affecting network operators' installation activities. We expect to continue to experience this seasonality for the foreseeable future. In addition, certain distributors are in jurisdictions that impose taxes on inventory held at year end, and as such, purchases from these distributors could be lower in the fourth quarter as they seek to manage their inventory.

In December 2017, we entered into our amended and restated secured credit facility and incurred \$90.0 million of indebtedness to repay outstanding secured indebtedness, redeem preferred equity issued by one of our subsidiaries and held by VCH, L.P. and return capital to VCH, L.P. As of March 31, 2018, we had \$88.9 million of outstanding term debt and \$7.0 million outstanding of borrowings under our revolving credit facility. Our current indebtedness may impair our ability to raise additional credit if needed, will result in increased cash-paid debt service obligations and requires us to comply with customary operational and financial covenants. Any of these factors may impair our operational flexibility and ability to execute on our strategy. See "Certain relationships and related party transactions—Transactions with VCH, L.P. and its affiliates" for more information regarding payments to VCH, L.P. and its affiliates.

## **Share-based compensation expense in connection with this offering**

Prior to this offering, all of the share-based compensation awards held by our employees were granted in respect of Class B Units of VCH, L.P., and, regardless of whether or not vested, the holders were not entitled to

## [Table of Contents](#)

participate in any distributions by VCH, L.P. until all original invested capital and yield on VCH, L.P.'s Class A Units had been returned. As such, we have not recorded any compensation expense associated with these share-based compensation awards for the years ended December 31, 2016 and 2017 or for the three months ended March 31, 2018. We have deferred recognition of compensation expense associated with these awards, which we refer to as the Deferred Share-based Compensation Expense, and will recognize such amounts as compensation expense in the period in which we complete this offering. As of March 31, 2018, we had \$14.7 million of Deferred Share-based Compensation Expense.

Contingent and effective upon this offering certain share-based compensation awards will be modified to provide that the performance-based vesting criteria associated with such awards will be met. This modification will cause us to re-measure the value of the share-based compensation awards as of the date they become vested. Any increase in value of these awards resulting from re-measurement will be charged to operations in the period that we complete this offering.

As a result of the recognition of the Deferred Share-based Compensation Expense as well as the re-measurement of expense expected upon completion of this offering, we expect to incur an aggregate compensation expense of \$        million in the quarterly period in which we complete this offering, of which \$        million will be non-cash and \$        million will be in cash. Of these amounts, \$        million, \$        million, \$        million and \$        million will be recognized as cost of revenues, research and development expense, sales and marketing expense, and general and administrative expense, respectively.

## **Key components of our results of operations and financial conditions**

### ***Revenues***

Our revenues are generated primarily from the sale of our products, which consist of hardware with essential embedded software. Our revenues also include limited amounts for software products and extended warranty on hardware products. We generally recognize product revenues at the time of shipment, provided that all other revenue recognition criteria have been met. Revenues are recognized net of estimated stock returns, volume-based rebates and cooperative marketing allowances that we provide to distributors. We provide a standard one-year warranty on our hardware products, that includes access to telephone and internet support. In addition, we offer several types of extended warranty on certain hardware products. We recognize revenues on extended warranties on a straight-line basis over the contractual period. We provide our cnMaestro, LINKPlanner and cnArcher applications as supplemental tools to help network operators design, install, and manage their networks, and as a means of driving sales of our hardware products. We presently offer these applications without additional charge to the customer and these applications are not essential to the operation of our products.

### ***Cost of revenues and gross profit***

Our cost of revenues is comprised primarily of the costs of procuring finished goods from our third-party manufacturers, third-party logistics and warehousing provider costs, freight costs and warranty costs. We outsource our manufacturing to third-party manufacturers located primarily in Mexico, China and Israel. Cost of revenues also includes costs associated with supply operations, including personnel related costs, provision for excess and obsolete inventory, third-party license costs and third-party costs related to services we provide.

Gross profit has been and will continue to be affected by various factors, including changes in product mix. The margin profile of products within each of our core product categories can vary significantly depending on the operating performance, features and manufacturer of the product. Generally, our gross margins on backhaul and access point products are greater than those on our CPE products. Because the ratio of CPE to PTP and PMP access points typically increases as network operators build out the density of their networks, increases in

## [Table of Contents](#)

follow-on sales to network operators as a percentage of our total sales typically have a downward effect on our overall gross margins. Finally, gross margin will also vary as a function of changes in pricing due to competitive pressure, our third-party manufacturing and other production costs, cost of shipping and logistics, provision for excess and obsolete inventory and other factors. We expect our gross margins will fluctuate from period to period depending on the interplay of these various factors.

### ***Operating expenses***

We classify our operating expense as research and development, sales and marketing, and general and administrative expense. Personnel costs are the primary component of each of these operating expense categories, which consist of cash-based personnel costs, such as salaries, sales commissions, benefits and bonuses. From and after this offering, operating expenses will also include share-based compensation expense. In addition, we separate depreciation and amortization in their own category.

### ***Research and development***

In addition to personnel-related costs, research and development expense consists of costs associated with design and development of our products, product certification, travel and recruiting. We generally recognize research and development expense as incurred. For certain of our software projects currently under development, we capitalize the development cost during the period between determining technological feasibility of the product and commercial release. We expect to begin amortizing the capitalized development expense upon commercial release, generally over 3 years. We typically do not capitalize costs related to the development of first generation product offerings as technological feasibility generally coincides with general availability of the software. We expect research and development expense to increase in absolute dollars as we continue to invest in our future products and services.

### ***Sales and marketing***

In addition to personnel costs for sales, marketing, service and product line management personnel, sales and marketing expense consists of our training programs, trade shows, marketing programs, promotional materials, demonstration equipment, national and local regulatory approval on our products, travel and entertainment, and recruiting. Commission expense is accrued quarterly based upon quota achievement in the period that the related sales occur. We expect sales and marketing expense to continue to increase in absolute dollars as we increase the size of our sales, marketing, service, and product line management organization in support of our investment in our growth opportunities, and, in particular, as we continue to expand our global distribution network.

### ***General and administrative***

In addition to personnel costs, general and administrative expense consists of professional fees, such as legal, auditing, accounting, information technology and consulting costs, facilities and other supporting overhead costs, as well as loan transaction fees and management fees paid to Vector Capital. We expect general and administrative expense to increase in absolute dollars following the completion of our initial public offering due to additional legal fees and accounting, insurance, investor relations and other costs associated with being a public company, partially offset by the absence of financing and management fees to Vector Capital following this offering.

### ***Depreciation and amortization***

Depreciation and amortization expense consists of depreciation related to fixed assets such as computer equipment, furniture and fixtures, and testing equipment, as well as amortization related to acquired and internal use software and definite lived intangibles.

***Provision for income taxes***

Our provision for income taxes consists primarily of income taxes in the jurisdictions in which we conduct business. As we have expanded our international operations, we have incurred increased foreign tax expense, and we expect this to continue. We expect to fully utilize our deferred tax assets, and therefore have not recorded a valuation allowance against our deferred tax assets at December 31, 2017 and March 31, 2018.

## Results of operations

The following tables present our historical operating results in dollars and as a percentage of revenues for the periods presented:

(in thousands)	2016	2017	Three months ended March 31,	
			2017 (unaudited)	2018
<b>Statements of Income Data:</b>				
Revenues	\$ 181,444	\$ 216,671	\$ 48,808	\$ 58,453
Costs of revenues	91,715	105,960	23,099	30,250
Gross profit	89,729	110,711	25,709	28,203
Operating expenses:				
Research and development	26,267	32,227	6,950	9,385
Sales and marketing	29,621	37,209	8,209	10,419
General and administrative	13,218	17,578	3,321	4,321
Depreciation and amortization	8,433	8,824	2,088	2,370
Total operating expenses	77,539	95,838	20,568	26,495
Operating income	12,190	14,873	5,141	1,708
Interest expense	7,565	5,018	1,493	1,758
Other expense	165	474	35	231
Income (loss) before income taxes	4,460	9,381	3,613	(281)
Provision (benefit) for income taxes	1,547	(418)	771	(54)
Net income (loss)	\$ 2,913	\$ 9,799	\$ 2,842	\$ (227)
<b>Percentage of Revenues:</b>				
Revenues	100.0%	100.0%	100.0%	100.0%
Costs of revenues	50.5	48.9	47.3	51.8
Gross margin	49.5	51.1	52.7	48.2
Operating expenses:				
Research and development	14.5	14.9	14.2	16.1
Sales and marketing	16.3	17.2	16.8	17.8
General and administrative	7.3	8.1	6.8	7.4
Depreciation and amortization	4.6	4.1	4.3	4.0
Total operating expenses	42.7	44.2	42.1	45.3
Operating income	6.7	6.9	10.6	2.9
Interest expense	4.2	2.3	3.1	3.0
Other expense	0.1	0.2	0.1	0.4
Income (loss) before income taxes	2.5	4.3	7.4	(0.5)
Provision (benefit) for income taxes	0.9	(0.2)	1.6	(0.1)
Net income (loss)	1.6%	4.5%	5.8%	(0.4)%

**Comparison of three months ended March 31, 2017 to three months ended March 31, 2018 (unaudited)****Revenues**

<b>(dollars in thousands)</b>	<b>Three months ended March 31,</b>		<b>Change</b>
	<b>2017</b>	<b>2018</b>	
Revenues	\$ 48,808	\$ 58,453	19.8%

Revenues increased \$9.7 million, or 19.8%, from \$48.8 million during the three months ended March 31, 2017 to \$58.5 million during the three months ended March 31, 2018. The increase in revenues in 2018 was primarily attributable to revenue growth in all of our core product lines as we continued to expand and leverage our distribution channels.

**Revenues by product category**

<b>(dollars in thousands)</b>	<b>Three months ended March 31,</b>		<b>Change</b>
	<b>2017</b>	<b>2018</b>	
Point-to-MultiPoint	\$ 34,529	\$ 37,240	7.9%
Point-to-Point	10,981	15,959	45.3
Wi-Fi (cnPilot)	2,236	4,357	94.9
Other	1,062	897	(15.5)
Total revenues by product category	\$ 48,808	\$ 58,453	19.8%

*Point-to-MultiPoint*

Our PMP product line comprised 71% and 64% of our total revenues for the three months ended March 31, 2017 and 2018, respectively. Growth in PMP revenues during the three months ended March 31, 2018 was primarily due to increased market acceptance of our PMP solutions with wireless Internet service providers.

*Point-to-Point*

The \$5.0 million increase in our PTP revenues during the three months ended March 31, 2018 spread across all PTP products and was driven primarily by the release of our PTP 550 product during late 2017 and strong continued sales of our core PTP product lines.

*Wi-Fi*

Growth in cnPilot revenues in the three months ended March 31, 2018 was driven primarily by increased demand from new enterprise network operators, especially those deploying either hybrid indoor/outdoor Wi-Fi or integrated wireless backhaul/Wi-Fi solutions.

**Revenues by geography**

(dollars in thousands)	Three months ended March 31,		Change
	2017	2018	
North America	\$ 23,441	\$ 24,239	3.4%
Europe, Middle East, Africa	15,955	19,611	22.9
Central and Latin America	5,851	8,939	52.8
Asia Pacific	3,561	5,664	59.1
Total revenues by geography	<u>\$ 48,808</u>	<u>\$ 58,453</u>	19.8%

For the three months ended March 31, 2018, revenues increased in all regions, with North America and EMEA contributing 75% of total revenues for the period. The increase in revenues during the three months ended March 31, 2018 was primarily due to our continued investment in increasing the size and geographic coverage of our sales force, the number of channel partners in each region and our introduction of new products. Revenue growth in Asia-Pacific benefited from substantial sales growth in India, which was driven by a government sponsored initiative to increase rural internet connectivity and general growth in the wireless Internet service provider industry. Revenue growth in Central and Latin America benefited from infrastructure projects driven by hurricane recovery efforts in the Caribbean.

**Cost of revenues and gross profit**

(dollars in thousands)	Three months ended March 31,		Change
	2017	2018	
Cost of revenues	\$ 23,099	\$ 30,250	31.0%
Gross margin	52.7%	48.2%	(450) bps

Cost of revenues increased \$7.2 million, or 31%, from \$23.1 million during the three months ended March 31, 2017, to \$30.3 million during the three months ended March 31, 2018. The increase in cost of revenues was primarily due to increased product sales, higher excess and obsolescence reserve due to our increased inventory and our assessment of the recoverability of certain promotional inventory from the field, and higher manufacturing costs related to design modifications in the three months ended March 31, 2018.

Gross margin decreased from 52.7% during the three months ended March 31, 2017 to 48.2% during the three months ended March 31, 2018. The decrease in gross margin in the three months ended March 31, 2018 reflected a product mix shift to relatively lower margin offerings in our PTP and PMP sales and promotional programs for distributors, in addition to the inventory reserves and manufacturing costs discussed above.

**Operating expenses**

(dollars in thousands)	Three months ended March 31,		Change
	2017	2018	
Research and development	\$ 6,950	\$ 9,385	35.0%
Sales and marketing	8,209	10,419	26.9
General and administrative	3,321	4,321	30.1
Depreciation and amortization	2,088	2,370	13.5
Total operating expenses	<u>\$ 20,568</u>	<u>\$ 26,495</u>	28.8%



## [Table of Contents](#)

### *Research and development*

Research and development expense increased \$2.4 million, or 35.0%, from \$7.0 million during the three months ended March 31, 2017, to \$9.4 million during the three months ended March 31, 2018. As a percentage of revenues, research and development expense increased from 14.2% during the three months ended March 31, 2017, to 16.1% during the three months ended March 31, 2018. The increase in research and development expense was due to our continued investment in product development to grow our business, including a \$2.2 million increase in headcount and personnel costs and a \$0.2 million increase in materials used in our design and development activities.

### *Sales and marketing*

Sales and marketing expense increased \$2.2 million, or 26.9%, from \$8.2 million during the three months ended March 31, 2017, to \$10.4 million during the three months ended March 31, 2018. As a percentage of revenues, sales and marketing expense increased from 16.8% during the three months ended March 31, 2017, to 17.8% during the three months ended March 31, 2018. The increase in sales and marketing expense was primarily due to our continuing investment in growing our sales, marketing and product line management infrastructures, driven primarily by a \$2.1 million increase in sales and marketing headcount and personnel costs.

### *General and administrative*

General and administrative expense increased \$1.0 million from \$3.3 million during the three months ended March 31, 2017, to \$4.3 million during the three months ended March 31, 2018. As a percentage of revenues, general and administrative expense increased from 6.9% during the three months ended March 31, 2017, to 7.4% during the three months ended March 31, 2018. The increase in general and administrative expense was primarily due to a \$0.5 million increase in headcount and personnel costs in finance and legal and a \$0.3 million increase in facilities cost and information technology related expenses.

### *Depreciation and amortization*

Depreciation and amortization expense increased \$0.3 million, from \$2.1 million during the three months ended March 31, 2017, to \$2.4 million during the three months ended March 31, 2018. The increase in depreciation and amortization expense was due to higher capital expenditures for equipment and tooling and a \$0.1 million increase in amortization expense due to an increase in capitalized software.

### *Interest expense*

<b>(dollars in thousands)</b>	<b>Three months ended</b>		<b>Change</b>
	<b>2017</b>	<b>March 31, 2018</b>	
Interest expense	\$ 1,493	\$ 1,758	17.7%

Interest expense consists primarily of interest due on indebtedness and amortization of deferred financing costs on our secured credit facilities and, in periods prior to July 2017, interest incurred on loans from Vector Capital. Interest expense increased \$0.3 million, from \$1.5 million during the three months ended March 31, 2017, to \$1.8 million during the three months ended March 31, 2018. The increase in interest expense was primarily due to higher balances under our credit facilities in the current quarter, partially offset by the absence of interest owed to Vector Capital in 2018. As of March 31, 2018, we had outstanding balances due of \$88.9 million under our term loan facility and \$7.0 million due under our revolving credit facility. See Note 17 "Related party transactions" and Note 7 "Loan from Sponsor and capital contribution" in the Notes to the Consolidated Financial Statements for further information on our prior indebtedness to Vector Capital.

[Table of Contents](#)**Other expense**

(dollars in thousands)	Three months ended March 31,		Change
	2017	2018	
Other expense	\$ 35	\$ 231	560.0%

Other expense increased to \$0.2 million during the three months ended March 31, 2018, which was primarily associated with foreign currency fluctuations.

**Provision for income taxes**

(dollars in thousands)	Three months ended March 31,	
	2017	2018
Provision (benefit) for income taxes	\$ 771	\$ (54)
Effective income tax rate	21.3%	19.2%

Provision for income taxes decreased from a tax expense of \$0.8 million during the three months ended March 31, 2017, to a tax benefit of \$0.1 million during the three months ended March 31, 2018. The decrease in income tax expenses was primarily attributable to a pre-tax loss of \$0.3 million during the three months ended March 31, 2018 compared to a pre-tax income of \$3.6 million during the three months ended March 31, 2017.

**Comparison of year ended December 31, 2016 to year ended December 31, 2017****Revenues**

(dollars in thousands)	2016	2017	Change
Revenues	\$181,444	\$216,671	19.4%

Revenues increased \$35.2 million, or 19.4%, from \$181.4 million in 2016 to \$216.7 million in 2017, which was attributable to growth in all of our core product lines. Complementing increased product demand, as described below, revenue growth in 2017 benefited from expansion of our distribution channel, bringing the total registered channel partners to over 3,700 as of December 31, 2017.

**Revenues by product category**

(dollars in thousands)	2016	2017	Change
Point-to-MultiPoint	\$119,049	\$142,000	19.3%
Point-to-Point	52,441	56,130	7.0
Wi-Fi (cnPilot)	6,057	14,620	141.4
Other	3,897	3,921	0.6
Total revenues by product category	<u>\$181,444</u>	<u>\$216,671</u>	19.4%

**Point-to-MultiPoint**

Our PMP product line comprised 66% of total revenues for both 2016 and 2017. PMP revenue growth was driven predominately by an increase in ePMP sales, which continue to gain market acceptance with wireless Internet service providers and to a lesser extent, increases in sales of PMP 450 driven by adoption of cnMedusa technology. Sales of cnReach, which we presently include in PMP revenue, were not material in either period due to the very recent introduction of this product.

## [Table of Contents](#)

### *Point-to-Point*

The increase in our PTP revenue was driven principally by strong sales of our sub-6 GHz systems, due principally to increased demand for backhaul in both enterprise and wireless Internet service provider networks.

### *Wi-Fi*

cnPilot revenue increased primarily as a result of increased demand from new enterprise customers, especially those deploying either hybrid indoor/outdoor Wi-Fi or integrated wireless backhaul/Wi-Fi solutions.

A substantial majority of our sales are to distributors who in turn sell to value added resellers and network operators. We rely on our third-party logistics and warehousing providers, with distribution hubs in the United States, the Netherlands and China, to fulfill the majority of our worldwide sales and to deliver our products to our customers. We have estimated the geographical distribution of our product revenues based on the ship-to destinations specified by our distributors when placing orders with us.

### **Revenues by geography**

<b>(dollars in thousands)</b>	<b>2016</b>	<b>2017</b>	<b>Change</b>
North America	\$ 89,264	\$100,676	12.8%
Europe, Middle East, Africa	55,787	68,208	22.3
Central and Latin America	22,344	26,962	20.7
Asia-Pacific	14,049	20,825	48.2
Total revenues by geography	<u>\$181,444</u>	<u>\$216,671</u>	19.4%

Revenues increased in all regions over the period, with North America and EMEA contributing 68% of the total increase, primarily due to our investment in increasing the size and geographic coverage of our sales force, the number of channel partners in each region, and our introduction of new products. Revenue growth in Asia-Pacific benefited from substantial sales growth in India, which was driven by a government sponsored initiative to increase rural internet connectivity and general growth in the wireless Internet service provider industry.

### **Cost of revenues and gross profit**

<b>(dollars in thousands)</b>	<b>2016</b>	<b>2017</b>	<b>Change</b>
Cost of revenues	\$91,715	\$105,960	15.5%
Gross margin	49.5%	51.1%	160 bps

Cost of revenues increased \$14.2 million, or 15.5%, from \$91.7 million in 2016 to \$106.0 million in 2017. The increase in cost of revenues was primarily due to increased product sales and changes in product mix, partially offset by reduced provisions for warranty costs and excess and obsolescence.

Gross margin increased from 49.5% in 2016 to 51.1% in 2017. The increase in gross margin reflected changes in product mix with substantially greater absolute dollar increases in higher margin PTP and PMP products, partially offset by reduced provisions for warranty costs and excess and obsolescence.

**Operating expenses**

<b>(dollars in thousands)</b>	<b>2016</b>	<b>2017</b>	<b>Change</b>
Research and development	\$26,267	\$32,227	22.7%
Sales and marketing	29,621	37,209	25.6
General and administrative	13,218	17,578	33.0
Depreciation and amortization	8,433	8,824	4.6
Total operating expenses	<u>\$77,539</u>	<u>\$95,838</u>	23.6%

*Research and development*

Research and development expense increased \$6.0 million, or 22.7%, from \$26.3 million in 2016 to \$32.2 million in 2017. As a percentage of revenues, research and development expense increased from 14.5% in 2016 to 14.9% in 2017. The increase in research and development expense, both in absolute dollars and as a percentage of revenues was due to our continued investment in product development to grow our business, including a \$4.1 million increase in headcount and personnel costs and a \$0.9 million increase in materials used in our design and development activities.

*Sales and marketing*

Sales and marketing expense increased \$7.6 million, or 25.6%, from \$29.6 million in 2016 to \$37.2 million in 2017. As a percentage of revenues, sales and marketing expense increased from 16.3% in 2016 to 17.2% in 2017. Sales and marketing expense increased, both in absolute dollars and as a percentage of revenues largely due to our continuing investment in growing our sales, marketing and product line management infrastructures, including a \$6.1 million increase in sales and marketing headcount and personnel costs, a \$1.2 million increase in other costs, primarily travel and entertainment, and trade shows and conferences.

*General and administrative*

General and administrative expense increased \$4.4 million, or 33.0%, from \$13.2 million in 2016 to \$17.6 million in 2017. As a percentage of revenues, general and administrative expense increased from 7.3% in 2016 to 8.1% in 2017. General and administrative expense increased both in absolute dollars and as a percentage of revenues largely due to a \$1.3 million increase in headcount and personnel costs in finance and legal, a \$0.3 million increase in facilities cost, and a \$0.3 million increase in our license fees supporting our enterprise applications. General and administrative expense in 2017 also included \$2.0 million in loan transaction fees to an affiliate of Vector Capital related to our refinancing of our secured credit facilities. Absent the loan transaction fees, general and administrative expense decreased as a percentage of revenues from 7.3% in 2016 to 7.2% in 2017.

*Depreciation and amortization*

Depreciation and amortization expense increased \$0.4 million, or 4.6%, from \$8.4 million in 2016 to \$8.8 million in 2017. Depreciation expense increased \$0.3 million due to higher capital expenditures in 2017 and amortization expense increased \$0.1 million due to an increase in amortization related to capitalized software.

**Interest expense**

<b>(dollars in thousands)</b>	<b>2016</b>	<b>2017</b>	<b>Change</b>
Interest expense	\$7,565	\$5,018	(33.7)%

## Table of Contents

Interest expense decreased \$2.5 million, or 33.7%, from \$7.6 million in 2016, to \$5.0 million for 2017. The decrease was primarily due to the repayment of a portion of our secured credit facilities and the redemption of CPECs held by VCH, L.P. July 2017. See Note 17 "Related party transactions" and Note 7 "Loan from Sponsor and capital contribution" in the Notes to Consolidated Financial Statements for further information.

### Other expense

(dollars in thousands)	2016	2017	Change
Other expense	\$165	\$474	187.3%

Other expense increased by \$0.3 million from \$0.2 million for 2016 to \$0.5 million for 2017. The change was primarily related to foreign currency fluctuations.

### Provision for income taxes

(dollars in thousands)	2016	2017
Provision (benefit) for income taxes	\$ 1,547	\$ (418)
Effective income tax rate	34.7%	(4.5)%

Our provision for income taxes decreased from a tax expense of \$1.5 million for 2016 to a tax benefit of \$0.4 million for 2017. The effective tax rates for the years ended December 31, 2016 and 2017 were 34.7% and (4.5)%, respectively. For the year ended December 31, 2017, our income tax expense was reduced by a \$6.4 million decrease in our valuation allowance primarily related to net operating loss carryforward and research and development credits partially offset by a \$3.1 million decrease in deferred tax asset related to interest expense. Excluding these two items, we had an income tax expense of \$2.9 million for the year ended December 31, 2017, representing an effective tax rate of 30.9%. See Note 14 "Income taxes" in the Notes to the Consolidated Financial Statements for more information related to income taxes.

### Quarterly financial data

(in thousands)	Three months ended								
	Mar 31, 2016	Jun 30, 2016	Sep 30, 2016	Dec 31, 2016	Mar 31, 2017	Jun 30, 2017	Sep 30, 2017	Dec 31, 2017	Mar 31, 2018
Revenues	\$38,862	\$44,394	\$50,243	\$47,945	\$48,808	\$51,640	\$58,520	\$57,703	\$58,453
Cost of revenues	20,838	22,881	24,413	23,583	23,099	25,828	28,374	28,659	30,250
<b>Gross profit</b>	18,024	21,513	25,830	24,362	25,709	25,812	30,146	29,044	28,203
<b>Operating expenses</b>									
Research and development	5,681	6,530	7,571	6,485	6,950	7,121	7,943	10,213	9,385
Sales and marketing	6,515	7,764	7,737	7,605	8,209	9,447	9,604	9,949	10,419
General and administrative	3,383	3,163	2,935	3,737	3,321	3,822	3,916	6,519	4,321
Depreciation and amortization	2,141	2,108	2,109	2,075	2,088	2,154	2,239	2,343	2,370
Total operating expenses	17,720	19,565	20,352	19,902	20,568	22,544	23,702	29,024	26,495
<b>Operating income</b>	304	1,948	5,478	4,460	5,141	3,268	6,444	20	1,708
Interest expense	1,947	1,882	1,903	1,833	1,493	1,901	1,060	564	1,758
Other (income) expense	(42)	(14)	360	(139)	35	201	248	(10)	231
<b>(Loss) income before income taxes</b>	(1,601)	80	3,215	2,766	3,613	1,166	5,136	(534)	(281)
(Benefit) provision for income taxes	(241)	39	963	786	771	252	1,309	(2,750)	(54)
<b>Net (loss) income</b>	(1,360)	41	2,252	1,980	2,842	914	3,827	2,216	(227)
Less: Net income attributable to noncontrolling interest	157	159	161	161	170	172	169	160	—
<b>Net (loss) income attributable to shareholders</b>	<u>\$ (1,517)</u>	<u>\$ (118)</u>	<u>\$ 2,091</u>	<u>\$ 1,819</u>	<u>\$ 2,672</u>	<u>\$ 742</u>	<u>\$ 3,658</u>	<u>\$ 2,056</u>	<u>\$ (227)</u>

## Table of Contents

	Three months ended								
	Mar 31, 2016	Jun 30, 2016	Sep 30, 2016	Dec 31, 2016	Mar 31, 2017	Jun 30, 2017	Sep 30, 2017	Dec 31, 2017	Mar 31, 2018
Revenues	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Cost of revenues	53.6%	51.5%	48.6%	49.2%	47.3%	50.0%	48.5%	49.7%	51.8%
<b>Gross profit</b>	<b>46.4%</b>	<b>48.5%</b>	<b>51.4%</b>	<b>50.8%</b>	<b>52.7%</b>	<b>50.0%</b>	<b>51.5%</b>	<b>50.3%</b>	<b>48.2%</b>
<b>Operating expenses</b>									
Research and development	14.6%	14.7%	15.1%	13.5%	14.2%	13.8%	13.6%	17.7%	16.1%
Sales and marketing	16.8%	17.5%	15.4%	15.9%	16.8%	18.3%	16.4%	17.2%	17.8%
General and administrative	8.7%	7.1%	5.8%	7.8%	6.8%	7.4%	6.7%	11.3%	7.4%
Depreciation and amortization	5.5%	4.8%	4.2%	4.3%	4.3%	4.2%	3.8%	4.1%	4.0%
<b>Total operating expenses</b>	<b>45.6%</b>	<b>44.1%</b>	<b>40.5%</b>	<b>41.5%</b>	<b>42.1%</b>	<b>43.7%</b>	<b>40.5%</b>	<b>50.3%</b>	<b>45.3%</b>
<b>Operating income</b>	<b>0.8%</b>	<b>4.4%</b>	<b>10.9%</b>	<b>9.3%</b>	<b>10.6%</b>	<b>6.3%</b>	<b>11.0%</b>	<b>0.0%</b>	<b>2.9%</b>
Interest expense	5.0%	4.2%	3.8%	3.8%	3.1%	3.7%	1.8%	1.0%	3.0%
Other (income) expense	(0.1)%	0.0%	0.7%	(0.3)%	0.1%	0.4%	0.4%	0.0%	0.4%
<b>(Loss) income before income taxes</b>	<b>(4.1)%</b>	<b>0.2%</b>	<b>6.4%</b>	<b>5.8%</b>	<b>7.4%</b>	<b>2.2%</b>	<b>8.8%</b>	<b>(1.0)%</b>	<b>(0.5)%</b>
(Benefit) provision for income taxes	(0.6)%	0.1%	1.9%	1.7%	1.6%	0.5%	2.2%	(4.8)%	(0.1)%
<b>Net (loss) income</b>	<b>(3.5)%</b>	<b>0.1%</b>	<b>4.5%</b>	<b>4.1%</b>	<b>5.8%</b>	<b>1.7%</b>	<b>6.6%</b>	<b>3.8%</b>	<b>(0.4)%</b>
Less: Net income attributable to noncontrolling interest	0.4%	0.4%	0.3%	0.3%	0.3%	0.3%	0.3%	0.2%	—
<b>Net (loss) income attributable to ordinary shareholders</b>	<b>(3.9)%</b>	<b>(0.3)%</b>	<b>4.2%</b>	<b>3.8%</b>	<b>5.5%</b>	<b>1.4%</b>	<b>6.3%</b>	<b>3.6%</b>	<b>(0.4)%</b>

Our operating results fluctuate from quarter to quarter as a result of a variety of factors, including seasonality in our business. For example, our total revenues have historically been highest in the third quarter, primarily due to the impact of increased seasonal demand by network operators in the Northern hemisphere due to favorable weather for outdoor installation activity. For similar reasons, our lowest revenues of the year are typically in our first quarter. Gross margin fluctuates on a quarterly basis as a result of various factors, including changes in product mix. For example, our gross margin was 52.7% in the first quarter of 2017 as a result of a higher concentration of core PMP product revenues that yield higher gross margins. By contrast, gross margin in the first quarter of 2018 was 48.2%, which was driven by a higher concentration of certain of our PTP revenues, which yield lower gross margins.

While largely consisting of fixed and determinable employee related costs, our operating expenses are also subject to quarterly fluctuations. For example, while we have steadily increased our investment in research and development to drive product development and next generation product innovation, research and development expenses in the third quarter of 2016 was significantly higher than quarters immediately before and after as a result of timing of higher spending on our Wi-Fi solutions. In addition, research and development expenses increased significantly in the fourth quarter of 2017 due to our increased investment in our next generation technology, higher homologation and regulatory testing and higher bonus performance expense. We expect research and development expense to continue to fluctuate on a quarterly basis in both absolute dollars and as a percentage of revenue, but to remain roughly consistent on an annual basis with 2017 levels as a percentage of revenue.

Sales and marketing expense also varies on a quarterly basis driven primarily by variable incentive compensation associated with revenues, and to a lesser extent, growth in our sales force.

General and administrative expenses in the fourth quarter of 2017 included \$2.0 million in loan transaction fees to an affiliate of Vector Capital related to our refinancing of our secured credit facilities. Absent the loan transaction fees, general and administrative expense was \$4.5 million, or 7.8% of revenue. We have increased our general and administrative expenses since June 2017 in anticipation of becoming a public company and expect these expenses to continue to increase going forward.

## Liquidity and capital resources

As of March 31, 2018, we had cash balances of \$4.5 million. In 2016 and 2017, we generated sufficient cash from operating activities to fund our operations. We believe that our cash balances and our ability to convert our trade accounts receivable to cash along with revenue growth will be sufficient to meet our working capital and capital expenditure needs for at least the next 12 months. Our future capital requirements may vary materially from those currently planned and will depend on many factors, including our rate of revenue growth, the timing and extent of spending to support development efforts, the timing of new product introductions, market acceptance of our products and overall economic conditions. We expect to regularly assess market conditions and may raise additional equity or incur additional debt if and when our board of directors determines that doing so is in the best interest of the Company. We cannot assure you that any additional financing will be available to us on acceptable terms, if at all. If we raise funds through the issuance of equity or convertible debt or other equity-linked securities, our existing shareholders could suffer significant dilution, and any new equity securities we issue could have rights, preferences and privileges superior to those of holders of our shares, including shares sold in this offering.

As of March 31, 2018, under our secured credit facility, we had a \$88.9 million term loan outstanding and \$7.0 million in outstanding borrowings under our revolving credit facility. In December 2017, we utilized \$90.0 million of the term loan to repay outstanding secured indebtedness, redeem preferred equity issued by one of our subsidiaries and held by VCH, L.P. and return capital to VCH, L.P. For further information on the redemption of preferred equity and return of capital, see "Certain relationships and related party transactions" and Note 17 "Related party transactions" in the Notes to Consolidated Financial Statements for further information.

### Sources and uses of cash

The following table summarizes our cash flows:

	2016	2017	Three months ended	
			2017	March 31, 2018
Cash provided by (used in) operating activities	\$ 16,532	\$ 23,001	\$ 3,735	\$ (7,437)
Cash used in investing activities	\$ (2,031)	\$ (5,931)	\$ (1,024)	\$ (1,336)
Cash (used in) provided by financing activities	\$ (5,427)	\$ (24,347)	\$ (7,780)	\$ 5,875

### Cash flows from operating activities

Net cash used in operating activities in the three months ended March 31, 2018 of \$7.4 million consisted primarily of a net loss of \$0.2 million, adjustments for depreciation and amortization of \$2.4 million and changes in operating assets and liabilities that resulted in net cash outflows of \$9.8 million. The changes in operating assets and liabilities consisted primarily of a \$4.7 million decrease in accrued employee compensation driven principally by payments of accrued incentive compensation and a \$4.4 million increase in inventories purchased in contemplation of sales growth, partially offset by a \$1.7 million increase in accounts payable and other accrued liabilities.

Net cash provided by operating activities in the three months ended March 31, 2017 of \$3.7 million consisted primarily of net income of \$2.8 million, adjustments for depreciation and amortization of \$2.1 million and changes in operating assets and liabilities that resulted in net cash outflows of \$1.1 million. The changes in operating assets and liabilities consisted primarily of a \$4.5 million decrease in accounts payable driven by lower inventory purchases and a \$2.2 million decrease in accrued employee compensation driven principally by payments of accrued incentive compensation, partially offset by a \$4.1 million decrease in inventories to fulfill increased demand and a \$1.2 million increase in accrued interest and payables.

## [Table of Contents](#)

Net cash provided by operating activities in 2017 of \$23.0 million consisted primarily of net income of \$9.8 million, adjustments for depreciation and amortization of \$8.9 million and changes in operating assets and liabilities that resulted in net cash inflows of \$5.8 million. The changes in operating assets and liabilities consisted primarily of a \$4.7 million increase in accounts payable mostly due to increased payment terms and increased volumes with suppliers, a \$5.1 million increase in accrued interest and payables to Vector Capital, a \$3.0 million increase in accrued employee compensation expense due to increased headcount and accrued bonuses and commissions, partially offset by a \$10.7 million increase in net accounts receivable due to increased sales.

Net cash provided by operating activities in 2016 of \$16.5 million consisted primarily of net income of \$2.9 million, adjustments for depreciation and amortization of \$8.4 million and changes in operating assets and liabilities that resulted in net cash inflows of \$5.5 million. The changes in operating assets and liabilities consisted primarily of \$5.2 million in accrued interest and payables to Vector Capital, a \$3.2 million increase in accrued employee compensation expense due to increased headcount and accrued bonuses and commissions, a \$1.7 million increase in accrued liabilities and a \$1.3 million increase in other assets and liabilities partially offset by a \$3.4 million decrease in accounts payable, a \$1.3 million increase in inventory and a \$1.2 million increase in accounts receivable.

### **Cash flows from investing activities**

Our investing activities for all periods presented consisted of capital expenditures for property, equipment and software in support of the growth of our business.

### **Cash flows from financing activities**

During the three months ended March 31, 2018, net cash provided by financing activities was \$5.9 million compared to net cash used in financing activities of \$7.8 million during the prior year period. The net cash provided by financing activities was primarily due to \$7.0 million in proceeds received from borrowing under our revolving credit facility, partially offset by \$1.1 million in repayment of principal due under our term loan facility. During the three months ended March 31, 2017, we borrowed \$30.0 million under our prior loan facility and made debt repayments of \$36.5 million under this prior term loan and revolver facility.

We used \$24.3 million of cash for financing activities during 2017. During 2017, we received \$120.0 million in cash from our lenders under the two debt refinancing transactions described below in “—Secured credit agreement”, paid \$66.5 million in debt repayments to our lender, returned capital to and redeemed preference shares from Vector Capital for an aggregate of \$75.0 million and incurred \$2.8 million in debt financing costs.

We used \$5.4 million of cash for financing activities during 2016. During 2016, we received \$7.3 million in cash from our lenders and paid \$12.7 million in debt repayments to our lenders.

## **Contractual obligations and commercial commitments**

Contractual obligations as of December 31, 2017 are as follows:

(in thousands)	Payments due by period				Total
	Less than 1 year	1 to 3 years	3 to 5 years	More than 5 years	
Operating leases	\$ 1,756	\$ 3,504	\$ 2,658	\$ 853	\$ 8,771
Term credit facility <sup>(1)</sup>	4,500	27,000	58,500	—	90,000
Term credit facility interest <sup>(1)</sup>	5,607	13,803	3,470	—	22,880
Purchase obligations <sup>(2)</sup>	39,465	—	—	—	39,465
<b>Total contractual obligations<sup>(3)</sup></b>	<b>\$51,328</b>	<b>\$44,307</b>	<b>\$64,628</b>	<b>\$ 853</b>	<b>\$161,116</b>

(1) Based on the credit facility debt outstanding, the required principal payments, and the interest rate in effect of 6.4% at December 31, 2017

(2) Consists primarily of inventory commitments

(3) Comprises liabilities recorded on the balance sheet of \$90.0 million, and obligations not recorded on the balance sheet of \$71.1 million



### **Leases**

Our contractual obligations are pursuant to non-cancelable operating leases that expire at various dates through 2026. Our total operating lease expense for 2016 and 2017 was \$1.1 million and \$1.4 million, respectively.

### **Purchase obligations**

Our purchase obligations include commitments with third parties to manufacture our products and in certain cases to design and manufacture select products. Our third-party manufacturers procure components based upon orders placed by us. If we cancel all or part of the orders, we may still be liable to the third-party manufacturers for the cost of the components purchased by the subcontractors to manufacture our products. The above table reflects non-cancellable purchase obligations with our third-party manufacturers.

### **Secured credit agreement**

In March 2017, we entered into a credit agreement to refinance the obligations under our existing credit facility and for working capital financing, letter of credit facilities and other general corporate purposes. Subsequently, in December 2017 we entered into an amendment and restatement of this credit agreement, as amended and restated, the Credit Agreement. The Credit Agreement provides for borrowings up to an aggregate amount of \$100.0 million, consisting of a term loan facility in the aggregate principal amount of \$90.0 million and a revolving loan facility in an aggregate principal amount of \$10.0 million, including a letter of credit sub-facility in the aggregate availability amount of \$5.0 million. As of March 31, 2018, we had borrowings outstanding of \$88.9 million under the term loan and \$7.0 million under the revolving credit facility. The term loan matures and comes due on December 21, 2022.

The Credit Agreement contains customary representations, warranties and affirmative and negative covenants. We are also required to maintain a minimum consolidated fixed charge coverage ratio, a maximum consolidated leverage ratio, and a minimum adjusted quick ratio. As of March 31, 2018, we were in compliance with all covenants under the Credit Agreement.

The term loan is repayable quarterly as follows: (i) 1.25% of the initial aggregate term loan is payable in each of the first four quarterly payment dates following the closing date, commencing with March 31, 2018, and (ii) 2.50% of the initial aggregate term loan is payable in each quarter of each year thereafter, with the remaining principal due on maturity on December 21, 2022. All outstanding revolving loans are due on the revolving termination date, which is December 21, 2022.

Borrowings under the Credit Agreement may be in the form of (1) alternate base rate loans that bear interest at the higher of (a) the Prime Rate, (b) the Federal Funds Rate plus 0.50% or (c) 3.50%, plus an applicable margin based on our consolidated leverage ratio or (2) Eurodollar rate loans that bear interest based on LIBOR plus a margin based on our consolidated leverage ratio. In addition to paying interest on loans under the Credit Agreement, we pay a fee of 0.50% per annum to the lenders under the revolving facility for any unutilized commitment. We can terminate or reduce the revolving loan commitment at any time without a termination fee. Obligations under the Credit Agreement are secured by a first priority lien on substantially all of our assets and those of our subsidiaries.

We are permitted to voluntarily prepay the term loans at any time provided that a prepayment fee equal to 1.00% of the aggregate amount of the term loans prepaid is payable in connection with prepayments in full in connection with a Change of Control or third party refinancing (other than as part of a refinancing with the administrative agent or its affiliates) occurring prior to the first anniversary of the closing date.

## **Off-balance sheet arrangements**

We do not engage in transactions that generate relationships with unconsolidated entities or financial partnerships, such as entities often referred to as variable interest entities, structured finance, or special purpose entities, as part of our ongoing business. Accordingly, our operating results, financial condition and cash flows are not subject to off-balance sheet risks.

## **Contingencies**

### ***Indemnification***

We generally indemnify our distributors, value added resellers and network operators against claims brought by a third party to the extent any such claim alleges that our product infringes a patent, copyright or trademark or violates any other proprietary rights of that third party. Although we generally try to limit the maximum amount of potential future liability under our indemnification obligations, in certain agreements this liability may be unlimited. The maximum potential amount of future payments we could be required to make under these indemnification agreements is not estimable.

We indemnify our directors and officers or select key employees for certain events or occurrences, while the director or officer is or was serving at the Company's request in such capacity. The term of the indemnification period is for the director's or officer's term of service. We may terminate the indemnification agreements with our directors or officers upon the termination of their services as directors or officers of the Company, but termination will not affect claims for indemnification related to events occurring prior to the effective date of termination. The maximum amount of potential future indemnification is unlimited, however, we have a director and officer insurance policy that limits our exposure. We believe the fair value of these indemnification agreements is minimal.

### ***Distributor agreements***

Our agreements with distributors are made in the ordinary course of business and generally may be terminated with or without cause by either party with advance notice. Although we believe we would experience some short-term disruption in the sale and distribution of our products if any of these agreements were terminated, we believe such terminations would not have a material adverse effect on our financial results and that alternative distributors, resellers and other distribution channels exist to deliver our products to network operators.

## **Recent accounting pronouncements**

We have reviewed all recently issued accounting standards and have disclosed in Note 1 to our audited consolidated financial statements appearing at the end of this prospectus, the results of our review and assessment of the impact of the standard on our consolidated financial statements.

## **Significant accounting estimates**

Our consolidated financial statements are prepared in accordance with U.S. GAAP. The preparation of these financial statements requires our management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, costs and expense and related disclosures. Our estimates are based on our historical experience and on various other factors that we believe are reasonable under the circumstances, the results of which form the basis for making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these judgments and estimates under different assumptions or conditions and any such differences may be material. We believe that the accounting policies discussed below are critical to understanding our historical and future performance, as these policies relate to the more significant areas involving management's judgments and estimates. For a

## [Table of Contents](#)

summary of all of our accounting policies, including the accounting policies discussed below, see Note 1 to our audited consolidated financial statements appearing at the end of this prospectus.

### **Recognition of revenues**

Our revenues are generated primarily from the sale of hardware products, with essential embedded software. Our revenues also include limited amounts for software products and extended warranty on hardware products. We account for revenues under Accounting Standards Codification ("ASC") 606, *Revenue from Contracts with Customers* ("ASC 606"), which we adopted on January 1, 2018. Revenue is recognized upon transfer of control of promised products to customers in an amount that reflects the consideration we expect to receive in exchange for those products. We determine the appropriate revenue recognition for our contracts with customers by analyzing the type, terms and conditions of each contract or arrangement. Certain of our contracts have multiple performance obligations for which we allocate the transaction price to each performance obligation based on the standalone selling price of each distinct product or service in the contract. The standalone selling price is the price at which we expect to be entitled to in exchange for transferring the promised good or service to the customer. The best evidence of standalone selling price is the observable price of a product or service when the company sells that product or service separately in similar circumstances and to similar customers. In certain cases, the standalone sales price is not directly observable and we estimate the transaction price allocated to each performance obligation using the expected cost plus margin approach. When, or as, a performance obligation is satisfied, we recognize as revenue the amount of the transaction price that is allocated to that performance obligation. The transaction price recognized excludes an estimate for the consideration related to products we expect to be returned or amounts we expect to refund.

### **Inventory and inventory valuation**

Inventories are stated at the lower of cost and net realizable value. In determining the cost of raw materials, consumables and goods purchased for resale, the weighted average purchase price is used. For finished goods, cost is computed as production cost including capitalized inbound freight costs.

The valuation of inventory also requires us to estimate excess or obsolete inventory. The determination of excess or obsolete inventory is estimated based on a comparison of the quantity and cost of inventory on hand to our forecast of customer demand. The actual amount of inventory written off in future periods will likely differ from the inventory excess and obsolete provisions reflected in our consolidated balance sheets due to difference between estimated and actual future demand, which could have a material effect on our net inventory as reported in our consolidated financial statements. Any adjustments to the valuation of inventory are included in cost of revenues.

### **Allowance for doubtful accounts**

We record an allowance for doubtful accounts for estimated probable losses on uncollectible accounts receivable. In estimating the allowance, management considers the aging of the accounts receivable, our historical write offs, the credit worthiness of each distributor based on payment history, and general economic conditions, among other factors. In cases where we are aware of circumstances that may impair a specific distributor's ability to meet its obligations to us, we record a specific allowance against amounts due from the distributor, and thereby reduce the net recognized receivable to the amounts we reasonably believe will be collected.

### **Product warranties**

We provide a one-year warranty on most hardware products and record a liability within current liabilities for the estimated future costs associated with potential warranty claims. We also offer an extended warranty that extends the standard warranty on most of our products for up to four additional years, a limited lifetime

## [Table of Contents](#)

warranty on select hardware products that extends warranty coverage to seven years, and an all risks advance replacement warranty covering additional types of equipment damage not covered by our standard warranty. Provisions for warranty claims are recorded at the time products are sold based on historical experience factors including product failure rates, material usage, and service delivery cost incurred in correcting product failures. These provisions are reviewed and adjusted by management periodically to reflect actual and anticipated experience. The warranty costs are reflected in our consolidated statements of income within cost of revenues. In certain circumstances, we may have recourse from our contract manufacturers for replacement cost of defective products, which we also factor into our warranty liability assessment.

### ***Income taxes***

We account for income taxes under the asset and liability method, which requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been included in our financial statements. Under this method, deferred tax assets and liabilities are determined on the basis of the differences between the financial statement carrying amount and the tax bases of assets and liabilities using enacted income tax rates in effect for the year in which the differences are expected to be recovered or settled. The effect of a change in income tax rates on deferred tax assets and liabilities is recognized in income in the period that includes the enactment date.

We recognize deferred tax assets to the extent that we believe these assets are more likely than not to be realized. In making such a determination, we consider all available positive and negative evidence, including future reversals of existing taxable temporary differences, projected future taxable income, tax-planning strategies, and results of recent operations. If we determine that we would be able to realize our deferred tax asset in the future in excess of their net recorded amount, we would make an adjustment to the deferred tax asset valuation allowance, which would reduce the provision for income taxes.

We may be subject to income tax audits in all the jurisdictions in which we operate and, as a result, we must also assess exposures to any potential issues arising from current or future audits of current and prior years' tax returns. Accordingly, we must assess such potential exposures and, where necessary, provide a reserve to cover any expected loss. We recognize the benefit of a tax position if it is more likely than not to be sustained. Recognized tax positions are measured at the largest amount more likely than not of being realized upon settlement. To the extent that we establish a reserve, our income tax expense would be increased. If we ultimately determine that payment of these amounts is unnecessary, we reverse the liability and recognize an income tax benefit during the period in which new information becomes available indicating the liability is no longer necessary. We record an additional income tax expense in the period in which new information becomes available indicating the tax liability is greater than our original estimate.

### ***JOBS Act accounting election***

We are an emerging growth company, as defined in the JOBS Act. Under the JOBS Act, emerging growth companies can delay adopting new or revised accounting standards issued subsequent to the enactment of the JOBS Act until such time as those standards apply to private companies. We have irrevocably elected not to avail ourselves of this exemption from new or revised accounting standards and, therefore, are subject to the same new or revised accounting standards as other public companies that are not emerging growth companies.

## **Quantitative and qualitative disclosures about market risk**

### ***Interest rate risk***

As of March 31, 2018, we had outstanding borrowings of \$95.9 million under our Credit Agreement. We are exposed to interest rate risk from fluctuations in the three-month US LIBOR rate that is a component of the interest rate used to calculate interest expense on our debt.

## [Table of Contents](#)

Interest accrues on the outstanding principal amount of the term loan on a quarterly basis and is equal to the three-month US LIBOR rate plus a base rate of 4.75%, 4.25% or 4.00%. The base rate is affected by our financial performance as measured by the consolidated leverage ratio. A 100-basis point increase in interest rates, and assuming a constant base rate, would result in an additional \$1.0 million in interest expense related to our external debt per year.

### ***Foreign currency exchange risk***

The majority of our sales as well as our assets and liabilities are denominated in U.S. dollars. As a result, our revenues and financial position are not currently subject to significant foreign currency risk. Our operating expenses are denominated in the currencies of the countries in which our operations are located, and may be subject to fluctuations due to changes in foreign currency exchange rates, particularly changes in the Indian Rupee, the British Pound and the Mexican Pesos. During the years ended December 31, 2016 and 2017, we incurred foreign exchange losses of \$0.2 million and \$0.5 million, respectively. For the three months ended March 31, 2017 and 2018, foreign exchange losses were \$0.0 million and \$0.2 million, respectively. At this time, we have not entered into a derivative or other financial instrument to hedge our foreign currency exchange risk.

### ***Inflation risk***

We do not believe that inflation has had a material effect on our business, financial condition or results of operations during the years ended December 31, 2016 and 2017 and for the three months ended March 31, 2017 and 2018.

### ***Credit risk***

We consider the credit risk of all customers and regularly monitors credit risk exposures in our trade receivables. Our standard credit terms with our customers are generally net 30 to 60 days. We had two customers representing more than 10% of trade receivables at December 31, 2016 and 2017. In addition, we had three customers representing more than 10% of revenues for the years ended December 31, 2016 and 2017.

## Letter from our Chief Executive Officer

Dear prospective investors,

The Cambium story began almost twenty years ago when Motorola Solutions launched its Wireless Internet Service Platform, which became the Canopy PMP business, in 1999, and later expanded the portfolio with the acquisition of the Orthogon Systems' PTP business in 2006. In 2011, we were formed when Cambium Networks acquired the PMP and PTP businesses from Motorola Solutions. Our products and technologies are grounded in this deep Motorola heritage, with its focus on high-quality wireless communications technology, and that has inspired our employees, across the globe, to innovate and excel. Cambium Networks continues the commitment to developing products that provide reliable, secure and scalable fixed wireless broadband connectivity. Our focus on quality and our honest work ethic comes from our roots, and we have infused this work ethic with the high-velocity, innovative spirit of Silicon Valley. This combination of mid-western work ethic, dedication to product quality and relentless innovation is the foundation for our mission — connecting the unconnected and the under-connected. Today connectivity is a critical societal need — akin to essential utilities such as electricity, water and gas. Cambium shares this view with governments, the United Nations, and countless others which are all striving to improve connectivity for everyone, everywhere, all the time.

Software applications have greatly improved our ability to communicate and collaborate, but without fast and reliable connectivity, these software tools alone are ineffective. Our wireless solutions address the evolving needs brought by the next generation communications network and end users. We enable high performance connectivity across varied terrain or inclement weather and can connect to the outermost edge of the network. Our platforms are deployed in the most demanding terrains, temperatures and radio frequency conditions — reliably connecting people, places and things. For example, our products are deployed at the Mount Everest base camp in Nepal, at 17,600 feet above sea level, providing reliable internet access for the first time to climbers, hikers and the local population. Our products also improve safety and efficacy around the world, by connecting and monitoring myriad sensors in industrial operations such as railroads, offshore oil rigs, and more remote water treatment centers and mining sites.

Solving connectivity for the unconnected and the under-connected requires high performance technology at affordable prices. Bridging geographic, socioeconomic and technological barriers is not being done solely by the largest Tier 1 service providers and their suppliers, which deploy solutions that cost considerably more than a Cambium Networks solution. Tier 1 solutions, however, are not always economically viable for, nor easily deployed in, medium or low density networks or developing communities. When connecting medium-sized metropolitan areas or remote, developing communities, Cambium's solutions deliver reliable, high performance wireless broadband connectivity at attractive economics. Additionally, large industrial enterprises around the world operate in some of the most far-reaching geographies searching for natural resources, producing raw materials or managing energy grids or other utilities. Providing these enterprises with secure and reliable connectivity in harder-to-reach environments enables them to gather and share business intelligence more easily, to monitor and optimize their operations, improve efficiency and enhance safety conditions, all giving rise to the Industrial Internet of Things, or IIoT.

We are serving a \$9 billion market that is expected to continue to grow as data demands evolve and increase and as new use cases develop. I believe that we have the right technology, the right products, the right strategy, the right culture, and, most importantly, the right people to serve this growing market and to create solutions to enable the increasing demand for data. Our international team of highly experienced engineers continues to design exceptional products for our customers. Our channel partners enable us to deploy products to thousands of network operators and their end users — in over 145 countries and growing. My focus at Cambium Networks has always been to build a business for pragmatic and consistent growth and profitability. Cambium Networks will continue to invest in research and development aimed to keep pace with technological breakthroughs and

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## [Table of Contents](#)

to provide disruptive solutions, while keeping to our roots through our commitment to our customers to offer increasing value with our innovative products and services.

I sincerely believe that Cambium Networks is a very special company. We look forward to continue making connectivity possible for even more people, places and things. We are proud of our commitment to the communities in which we live and work, and of giving back to our communities whenever we can, through programs that provide connectivity following natural disasters, programs that enable children in unstable locations to safely obtain an education through remote connectivity, and through our awards honoring others who are working to connect the unconnected or underconnected. I am thankful for everybody who has helped bring us to where we are today, and for their continued efforts to take us to where we hope to be tomorrow. We are grateful for those who have believed in us, supported us and trusted us. We are thrilled that you are considering joining us on this remarkable journey, and I believe we have the right inspiration to build a lasting company bringing connectivity and goodness to the world — together.

Atul Bhatnagar  
President & Chief Executive Officer

# Business

## Overview

We provide wireless broadband networking infrastructure solutions for network operators, including medium-sized wireless Internet service providers, enterprises and government agencies. Our scalable, reliable and high performance solutions create a purpose built wireless fabric which connects people, places and things across distances ranging from two meters to more than 100 kilometers, indoors and outdoors, at attractive economics.

Our wireless fabric includes intelligent radios, smart antennas, RF algorithms and network management software. Our embedded proprietary RF technology and software enables automated optimization of data flow at the outermost points in the network, which we refer to as the “intelligent edge.” This intelligent edge offers network operators increased performance, visibility, control and management, as well as the ability to efficiently transfer large amounts of data back to enterprise data centers for fast and efficient analysis and decision-making, even in conditions characterized by a high degree of interfering signals generated both within the network or from outside sources, which we refer to as noise.

Our solutions are deployed by medium-sized wireless Internet service providers and enterprises, including utility, petrochemical, military, state and local government, industrial and other network operators that use our technology to connect a wide range of network assets from traditional offices to complex sensor networks. Network operators deploy our enterprise-grade solutions to take advantage of their scalability, intelligence, reliability, attractive economics and ease of deployment. Our solutions feature the following benefits for network operators:

- **Superior outdoor scalability.** Our solutions scale to greater density for outdoor applications because of their leading spectral efficiency.
- **Embedded network intelligence.** Our solutions have embedded intelligence, utilizing software and RF algorithms that work together to optimize network performance. This intelligence allows networks to adapt and evolve as network requirements vary, environments change and network footprints grow over time.
- **Reliable wireless connectivity in congested environments.** Our solutions deliver superior reliability enabled by our technology's frequency reuse capabilities, embedded dynamic spectrum optimization and dynamic filtering abilities.
- **High quality at attractive economics.** Our solutions improve economics for network operators by supporting a large number of CPE per access point while providing enterprise-grade performance and quality. We reduce ongoing management costs through device reliability and embedded software that independently manages and resolves network performance issues.
- **Ease of deployment and simplicity to scale the network.** Network operators can utilize our cloud-based network management software to help design, install and manage their networks from cloud-to-tower-to-edge. Our cloud-based software offers full lifecycle management of a network through a single pane of glass, reducing the complexity of network operations and the onboarding of large numbers of devices.

Our products are typically deployed by medium-sized service providers, such as wireless Internet service provider networks serving from 5,000 to over 200,000 subscribers, enterprise networks and sensor heavy industrial networks. We estimate that medium-sized Internet service providers contributed approximately half of our revenues in 2016 and 2017.

We market and sell our solutions through our global channel partner network, which drives the substantial majority of our revenues. We sell our solutions as one-time sales, although a majority of our revenues in a given



period typically is generated by purchases from network operators that have previously purchased our products. Growth from these network operators is driven by expansion within existing networks and in new territories, replacement of competitor products with our solutions, deployment of new and incremental use cases and, in the case of local governments, mandates to offer fixed broadband wireless to their citizens.

We have experienced rapid revenue growth over the last several years and we have shipped more than three million devices since 2012, including over one million in 2017, to more than 10,000 network operators in over 145 countries. For 2016 and 2017, our revenues were \$181.4 million and \$216.7 million, respectively. During the same periods, our net income was \$2.9 million and \$9.8 million, respectively. In the three months ended March 31, 2017 and 2018, our revenues were \$48.8 million and \$58.5 million, respectively, and our net income was \$2.8 million and net loss was \$0.2 million, respectively.

## Industry

According to Cisco Visual Networking Index, wireless mobile data traffic is expected to grow at a compound annual growth rate of 44% from 2017 to 2021. We believe that growth in data traffic will be predominantly driven in large part by the proliferation of connected devices, applications and sensors for both service provider and enterprise use cases. For example:

- Consumers are using connected devices to access cloud applications, stream media-rich content and connect to friends and family utilizing wireless connectivity. Much of the consumer demand in lower-density urban and rural areas is being addressed with medium-sized networks run by wireless Internet service providers.
- Enterprises are deploying their own wireless broadband infrastructure to provide individuals access to corporate networks, data centers and cloud applications.
- Industrial enterprises are using wireless broadband to help replace periodic, manual system monitoring with hundreds of wireless sensors and cameras that can monitor key production activities in real-time for safety, productivity and security. For example, wireless connectivity is allowing industrial enterprises real-time comprehensive monitoring of operations across a field of onshore facilities or offshore platforms to increase both the efficiency and safety of industrial operations.

The growing adoption of wireless networks is driving massive amounts of data that is analyzed locally at the edge or at enterprise or cloud data centers. This requires greater wireless connectivity to capture and evaluate the data locally or to backhaul large amounts of data to a data center. Local operations centers or distant corporate data centers must also communicate with the edge devices to optimize operations. For example, when data is sent back to an operations center that identifies potential equipment overheating, that command center can quickly transmit a data request directly to the machine to analyze and resolve the issue or to a technician to rapidly address the developing situation.

Wireline broadband through cable, DSL and optical networks provides efficient bulk bandwidth transport to densely-populated metropolitan areas, but can be cost prohibitive in lower-density environments and rural areas. Wireline broadband also lacks real-time adaptability required for industrial networks and faces practical limitations in delivering connectivity to constantly evolving sensor and device networks. Similarly, many existing, more affordable wireless network solutions lack the performance, scalability, reliability and support to provide enterprise-grade IT infrastructure required for critical business applications.

Both wireless Internet service providers and enterprises in lower-density, non-metropolitan areas require infrastructure that delivers always-on, high-speed wireless bandwidth for the transmission of large amounts of data in a wide variety of challenging conditions such as noisy spectrum or terrain that can impede wireless broadband communications, such as bodies of water or forests. Carrier-grade wireless infrastructure, primarily

used in metropolitan networks, is generally ill-suited to these deployments because the size of the deployment does not justify the high equipment expense and management costs. Many existing wireless solutions are limited by their ability to deliver real-time adaptability, scalability, efficient use of spectrum, network reliability and economical use cases:

- **Limited real-time adaptability.** Wireless network footprints are continually changing due to individuals moving within a network, rapidly changing environments in an industrial footprint and expanding use cases or functionality. Many wireless solutions lack the software and RF technology to continually optimize performance of rapidly evolving network infrastructure and noisy conditions.
- **Lack of network scalability.** Current wireless solutions often struggle to scale primarily because they lack end-to-end management capabilities and appropriate RF algorithms in the software. Software is required to efficiently plan, synchronize and optimize large-scale deployments of wireless broadband, while mitigating self-interference. Existing solutions are typically provisioned manually and managed by spreadsheets or management tools developed by customers internally. Real-time, efficient management requires embedded software and technology capable of optimizing network performance at the edge in varying environmental conditions.
- **Inefficient use of spectrum.** Many existing solutions do not contain data path optimization technologies that allow for efficient use of frequency channels and available spectrum. This leads to performance degradation and limits the number of users and devices to which the network can deliver quality access.
- **Lack of network reliability in areas with congested signals.** Many existing solutions struggle with interference in high noise environments because they cannot reuse frequencies to expand available channels for traffic. These solutions also do not include software that identifies congested channels and automatically switches traffic to channels with less congestion. Inability to reuse frequencies or to recognize congested channel can degrade performance and limit available bandwidth of infrastructure.
- **Uneconomical for certain use cases.** Existing fixed wireless broadband solutions can be cost-prohibitive because of their inability to serve a high concentration of CPE without the deployment of high number access points. Additionally, many existing solutions fail because of a lack of software intelligence to foresee upcoming issues and an inefficient path to resolution for issues given limited services and support capabilities.

## Our solutions

We offer fixed wireless broadband networking infrastructure solutions differentiated by scalability, embedded intelligence, reliability, high quality at attractive economics and ease of deployment. Our enterprise-grade solutions provide outdoor and indoor capabilities and leading spectral efficiency that reduces self-interference and optimizes spectral efficiency and frequency reuse across the network.

Our PTP solutions are typically connected to high-speed, high-bandwidth wireline networks, and provides wireless broadband backhaul to facilities or PMP access points deployed throughout a network, over distances of more than 100 kilometers and at more than 2 Gbps. Our PMP solutions extend wireless broadband access from tower mounted access points to CPE providing broadband access to residences and enterprises covering wide areas with a range of 10 to 30 kilometers. Our cnPilot Wi-Fi solution provides distributed access to individual users in indoor settings, such as office complexes, and outdoor settings, such as athletic stadiums, over distances as short as two meters with high capacity. Our cnReach solutions offer narrow-band connectivity for sensors and devices at the network edge, typically over the last few meters. Our embedded proprietary RF technology and software enables automated optimization of data flow at the outermost points in the network.

Our platform provides the following key benefits to network operators:

- **Superior outdoor scalability.** Our wireless fabric scales to greater density for outdoor applications because of its spectral efficiency. Almost all of our outdoor products have a spectral efficiency advantage over the primary competition and that efficiency advantage can be more than double in many circumstances. Additionally, our intelligent edge solutions permit denser deployments and higher throughput, translating into more CPE per access point while delivering high quality connectivity.
- **Embedded network intelligence.** Our wireless fabric consists of intelligent radios, smart antennas, RF algorithms and embedded software that enable the intelligent edge by optimizing connectivity, reliability and performance. As network requirements evolve, this intelligence enables seamless device RF optimization and provisioning.
- **Reliable wireless connectivity in congested environments.** We deliver reliable connections that tolerate high levels of RF interference. Our reliability is a function of GPS synchronization that enables frequency reuse and thereby limits self-interference, embedded dynamic spectrum optimization that identifies congested channels and switches the connection to the optimal channel, and dynamic filtering software that protects used channels to neutralize unwanted interference from neighboring channels. These embedded technologies respond in real-time to congestion that would otherwise impact user experience.
- **High quality at attractive economics.** We believe that our solutions allow higher density of CPE per access point compared to our competition, while providing enterprise-grade performance and quality. We reduce ongoing management costs through device reliability and embedded software that independently manages and resolves network performance issues. Our 24/7 customer support combined with our embedded software intelligence increases network uptime and reduces network IT management overhead.
- **Ease of deployment and simplicity to scale the network.** Network operators can utilize our cloud-based network management software to manage and grow their networks from cloud-to-tower-to-edge in real-time. Our cloud-based software offers network lifecycle management through a single pane of glass, reducing complexity and costs of network operations and facilitating the onboarding of large numbers of users and devices.

## Our competitive strengths

Our competitive strengths include the following:

- **Wireless fabric that enables fast and efficient scalability.** Our solution allows network operators to densify their networks with incremental access points that scale subscriber support in a linear manner without compromise to quality of service. We accomplish this through our superior spectral efficiency, which minimizes interference and optimizes channel efficiency.
- **Advanced RF signal algorithms.** Our RF algorithms drive network performance by employing technologies such as frequency reuse, congestion-based channel switching and noise filtering. These algorithms require deep RF signal processing expertise and have been developed by our seasoned team of RF engineers.
- **Broad applicability of our wireless fabric.** Our technology has broad application across a wide range of connectivity use cases, from wireless Internet service providers to industrial enterprises, including in oil and gas, mining, utilities, military, retail, hospitality, transportation, surveillance and other industrial and enterprise end markets. Our core technologies underlying the wireless fabric offer broad extensibility to new markets such as Wi-Fi and IIoT solutions. This broad applicability has allowed us to reach over 10,000 network operators thus far in over 145 countries.

- **Network management software platform built for scale.** Our cloud-based network management software increases ease of deployment and usage through easy provisioning, configuration, monitoring and complete network visualization, with the ability to support over 100,000 devices. In particular, our software applications support and facilitate improved network planning, embedding our solutions within network operators' planning cycles and encouraging recurring purchases for our technology as network operators scale and upgrade their networks. To date, approximately 4,000 network operators have downloaded our software.
- **Culture of constant innovation combined with high velocity product development and service.** We pride ourselves in our strong work ethic and focus on providing innovative products and first-class service to network operators. We have over 200 hardware and software engineers working on product design and innovation, and as of December 31, 2017 had 59 issued patents and 65 patent applications pending worldwide. We deliver a localized innovation model by investing in local research and development presence in the United States, United Kingdom, and India to ensure that we remain in tune with unique requirements of network operators globally. Our employees are united by our mission to eliminate the "digital divide" by building cutting-edge technology to connect underserved and developing communities.

## Market opportunity

The majority of our revenues today come from PTP and PMP solutions. According to Sky Light Research, the PTP Microwave market is expected to grow from \$3.1 billion in 2017 to \$4.2 billion through 2021. According to QYResearch, the PMP market is expected to grow from \$0.5 billion in 2017 to \$0.9 billion in 2025. We entered the Wi-Fi market in 2016 and it has become a meaningful portion of our revenues. According to IDC, the enterprise WLAN market is expected to grow from \$5.8 billion in 2017 to \$7.6 billion through 2022. Combining these served markets, our addressable market in 2017 exceeded \$9 billion. In 2017, we introduced our cnReach IIoT products, and while the market remains at an early stage of development, we believe this market presents a significant commercial opportunity.

## Our growth strategy

The key elements of our growth strategy include:

- **Continue investment in wireless fabric while expanding into new markets.** We are investing in our wireless fabric technology to expand the breadth of our solutions and take advantage of new frequencies and communications standards. We believe that building upon our spectral efficiency and interference reduction capabilities will allow us to expand our technology leadership into new markets as network operators continue to demand more throughput and capacity. We may engage in selective acquisitions where we see an opportunity to accelerate our development strategy or address complementary market opportunities.
- **Expand our software capabilities.** We will continue to invest in our embedded software capabilities which include GPS synchronization, dynamic optimization and filtering technologies that facilitate the intelligent edge. We also plan to invest cnMaestro, our cloud-based network management software platform, to improve functionality, ease of deployment and operations. In combination, improving the capabilities of our software will expand our market opportunities with network operators.
- **Drive greater penetration in our existing base.** As networks grow and become more congested, we believe that our optimization and filtering technologies could become even more critical to network operators. We intend to work collaboratively with key network operators to evaluate new use cases as these network operators expand their geographical footprint into new territories and increase their deployment of our products.

## [Table of Contents](#)

- **Deepen and expand channel and network operator relationships.** We intend to deepen and expand our relationships in our channel, which currently includes over 4,000 channel partners and received CRN Magazine's five star rating in 2017 and 2018, which is its highest ranking awarded. We intend to invest in training and education for these channel partners while fostering new relationships with incremental channel partners. Additionally, in order to deepen and broaden our network operator relationships, we will continue to invest in our sales and marketing organization for both direct and channel engagement.
- **Position portfolio to take advantage of proliferation of higher-speed wireless connectivity.** As wireless networks transition from 4G to 5G technology, fixed wireless will be used more frequently in higher density environments. We intend to continue investing in and positioning our portfolio to pursue opportunities in high density environments as these markets move toward fixed wireless technology that is differentiated by reliability in congested environments.

## Our technology and products

Cambium Networks Product Portfolio Summary						
Network Management	cnMaestro – Cloud-Based Management Software					
Product Platform	PTP 820	PTP 670/700	PMP 450	ePMP	cnPilot	cnReach
Design Focus	Licensed Microwave Backhaul	Sub-6 GHz Backhaul Performance	Scalability for Multipoint networks	Price/Performance PTP and PMP Leadership	Configurable, Cloud Managed, High Performance Wi-Fi	Licensed Narrowband in rugged I/O rich package
Throughput	2+ Gbps	450 Mbps	450 Mbps / sector	200 Mbps / sector	250 Mbps / AP	KB to MB
Spectrum (GHz except as noted)	6 – 38	4.4 – 5.9	900 MHz, 2.4, 3.5, 3.65, 5	2.4, 5, 6.4	2.4, 5	220, 450, 700, 900 MHz

We offer a portfolio of fixed wireless broadband solutions that connect people, places and things from distances of two meters to more than 100 kilometers, delivering data rates that range from kilobytes per second to over 2 gigabytes per second, operating indoor and outdoor and utilizing licensed and unlicensed spectrum. The elements of our wireless fabric can be architected to meet a broad range of use cases and needs of network operators. Since 2012, we have shipped over 3 million devices. Our products are designed to support more CPE per access point and maximize uptime, providing an attractive total cost of ownership for network operators while delivering a reliable, scalable, flexible and easily managed platform with differentiated performance.

Our products can be categorized into our PTP backhaul, PMP distribution, cnPilot Wi-Fi access and cnReach IIoT solutions. We also offer a number of other network management and monitoring tools, such as cnMaestro, LINKPlanner and cnArcher, to further improve ease of use and network performance.

### **Point-to-Point backhaul solutions**

Our PTP solutions are deployed globally and have proven to reliably operate in formidable and demanding environments. For example, we used PTP 650 and PTP 700 radios to establish high quality connectivity over 245 kilometers between Pikes Peak, Colorado and Cheyenne, Wyoming, delivering real-time voice, video and data. We offer PTP solutions that are designed to operate in unlicensed spectrum from 900 MHz to 5.9 GHz and

in licensed spectrum from 6-38 GHz. In addition, our PTP 700 operates in NATO Band IV from 4.4-5.9 GHz and meets stringent federal operating, performance and security standards.

***Point-to-Multipoint distribution solutions***

Our PMP portfolio is composed of the PMP and ePMP distribution and access solutions that enable network operators to provide high-speed wireless broadband in a wide range of applications, ranging from connecting a small network of CCTV cameras, to deploying networks on hundreds of oil pads, to providing broadband access to low-density urban and rural communities. Our PMP and ePMP solutions offer differentiated spectral efficiency, which enables high data rates and efficient utilization of RF spectrum, as well as GPS synchronization and dynamic interference filtering to optimize performance in noisy conditions. We also offer Massive Multi-User Multi-Input Multi-Output technology and proprietary beamforming sector antennas to enable densification of CPE within a network. Together, these PMP distribution solutions allow networks to scale without compromise, from a single access point and a handful of CPE to networks with hundreds of thousands of subscriber radios, both using the identical products and technologies.

***cnPilot Wi-Fi access solutions***

Our cnPilot enterprise and service provider Wi-Fi access points are easily deployed within both new and existing wireless local area networks, including in existing networks with equipment from other manufacturers. Our product line includes enterprise access points for both indoor and outdoor use cases, as well as Internet service provider-managed home gateways. Our adaptive architecture provides controller functionality and services with high agility for the network operator.

***cnReach IIoT solutions***

Our cnReach IIoT solutions offer connectivity for distributed sensors and controls across industrial deployments, delivering real-time monitoring, measurements and analytics to optimize system performance. Our products can be deployed in a variety of industrial verticals such as oil and gas, electrical utilities, water management, rail and transportation operations and smart cities. cnReach focuses on supervisory control and data acquisition systems for process control and monitoring, providing affordable, narrowband wireless connectivity to support distribution automation, substation switches, circuit control and telemetry.

***cnMaestro and network management tools***

Our cloud-based cnMaestro network management platform provides users with an integrated, intelligent, easy to use tool for end-to-end network management of our portfolio from the network operating center to individual CPE on a single pane of glass. cnMaestro's interface allows users to easily onboard large numbers of new devices, configure existing devices, monitor the entire network and troubleshoot end-to-end.

LINKPlanner, is a comprehensive tool, developed over the past 10 years, used to plan PTP and PMP networks. LINKPlanner allows users to visualize and analyze hypothetical network deployment scenarios to evaluate performance and reliability allowing for cost-effective expansion and deployment of their networks. cnArcher is a smartphone app that accelerates installation and deployment of our products by field technicians.

**Network operators and distribution channel**

We sell our solutions globally through our channel partners to wireless Internet service providers, enterprises and government agencies. Wireless Internet service providers using our products are generally medium-sized service providers serving between 5,000 and more than 200,000 subscribers. Enterprises using our products are in industries such as oil and gas, agriculture, mining, utilities, transportation, surveillance, hospitality, education and general corporate enterprises. Government entities using our products include local

## [Table of Contents](#)

governmental agencies, federal agencies and defense organizations. The following table provides an illustrative list of network operators in these sectors using our products:

<b>Service providers</b>	<b>Enterprises</b>	<b>Government agencies</b>
<ul style="list-style-type: none"><li>• Digicel</li><li>• Airtel</li><li>• Eolo</li><li>• 360 Communications</li></ul>	<ul style="list-style-type: none"><li>• Anadarko</li><li>• Chevron</li><li>• Duke Energy</li><li>• CSX</li></ul>	<ul style="list-style-type: none"><li>• United States Federal Agencies</li><li>• City of Irving</li><li>• City of Calgary</li><li>• San Antonio Water</li></ul>

Historically, over 95% of our revenues is derived from sales through our ConnectedPartner channel partner platform, which consists of over 4,000 channel partners, including over 150 distributors as of March 31, 2018. In 2017, revenue from three of our distributors, Winncom Technologies, Aikom Technology and WAV, represented 15.3%, 15.2% and 11.2% of our revenues, respectively. In addition, while not a direct source of our revenue, we estimated that sales to an end customer principally through Aikom accounted for 12% of our revenues in 2016 and 2017. We had no other network operator or distributor that accounted for more than 10% of our revenues for the year ended December 31, 2017 or 2016.

Through our channel sales network, we sell to our global network of distributors who in turn either sell directly to network operators or supply our products to value added resellers. These channel partners provide lead generation, pre-sales support and product fulfillment. Playing a central role in the channel, distributors support us by promoting and distributing our products in target vertical markets, providing value-added support to the reseller channel by bringing core strengths in technical support and professional services, all in addition to financing, logistics, and sales and marketing support. Our distributors typically stock and manage inventory of our products.

Our ConnectedPartner platform is designed to maximize global coverage while minimizing channel conflict and enhance the ability of our channel partners to succeed in the sale and deployment of our products and solutions. Channel partners registered under our ConnectedPartner program gain access to product discounts, sales and marketing tools, marketing materials, specification sheets, case studies and solution papers to aid in the sale and deployment of our products and solutions globally. We also offer access through our ConnectedPartner platform to technical product training, deal registration, account management support, business development support, webinars and events, promotions and joint marketing initiatives, and qualified lead information as well as participation in our demonstration equipment programs.

### **Network operator case studies**

The following are examples of deployments of our solutions to improve the scalability, reliability and performance of networks across a range of use cases.

#### ***EOLO Networks, Italy***

EOLO SpA is currently the sixth largest wireless Internet service provider in Italy covering over 10 million households across 13 regions around the country. Beginning in 2016, market demands on EOLO's subscriber data rates had outpaced existing capacity due to growth in the subscriber base and increasing data demand from subscribers for video streaming. EOLO wanted a long-term solution to upgrade its network, support additional subscribers and meet increasing demand for data.

After evaluating solutions to upgrade its network, EOLO selected Cambium Networks to provide PMP 450m access points to increase network capacity and improve service in congested areas of its network. After



deploying the PMP 450m access points, EOLO was able to increase the number of subscribers per access point from 80 to 200. The PMP 450m has delivered double-to-triple the throughput compared to the prior solution, allowing EOLO to add more subscribers and continue to grow its business. EOLO now has more than 1,200 PMP 450m access points deployed across its network.

#### ***Pixius Communications, United States***

Pixius Communications is a wireless Internet service provider serving principally rural markets. Pixius was challenged to provide high-capacity and reliable Internet across broad geographic areas with a solution that could scale as its business scaled and as the demands for higher data rates scaled. Demand for Pixius' services continued to grow as did the demand for higher speeds driven by the proliferation of connected devices, cloud computing and services, and over-the-top media delivery, such as Netflix, Hulu, Roku, YouTube, gaming and social media platforms.

To address the needs of its growing customer base, Pixius evaluated a number of technologies for its next generation network before selecting Cambium Networks PMP 450 series. Deployment of the PMP 450 network began in 2013 and now services more than 6,000 Pixius subscribers. The network currently provides subscription download rates of up to 25 Mbps with unlimited data plans. With the second-generation network in place, Pixius has been able to increase its customer rate plan offering from 7 Mbps/2 Mbps in 2016 to 25 Mbps/3 Mbps in 2018, while daily subscriber consumption has grown from 3 Gbps to 4.2 Gbps in the same respective time frame.

#### ***HeroTel, South Africa***

HeroTel is one of the largest wireless Internet service provider in South Africa. Founded in 2013, HeroTel is consolidating the wireless Internet service provider market and connecting South Africans to high-speed wireless, fiber and LTE internet. HeroTel currently has more than 1,800 sites and over 40,000 clients for "last-mile" internet service. However, demand for TV streaming services like Netflix and Showmax has significantly increased in South Africa. Traditional last-mile mediums like copper cannot keep up with the bandwidth requirements for streaming media, and fiber is limited to deployment in isolated pockets due to costly deployment. HeroTel needed a solution to meet the increasing demand for connectivity and streaming video to maintain and grow its customer base.

After evaluating alternatives, HeroTel chose Cambium Networks' ePMP wireless broadband distribution solution to improve network performance and enable scalability. HeroTel is achieving three times the speed and double the number of users with Cambium Networks' solution than it achieved in the past. Because of this, HeroTel is able to easily handle its peak traffic volumes while simultaneously making its customers happier and lowering its capital expense costs. HeroTel is able to load more than three times the number of clients onto the Cambium Networks ePMP 2000 sectors, while achieving in excess of three and a half times the speed on the client side.

#### ***Class 1 Freight Rail Operator, United States***

A Class 1 freight rail operator in the United States selectively deployed outdoor Wi-Fi to improve efficiency and worker safety. However, the high deployment and operating costs of the existing solution limited their ability to expand its network. The railroad needed a new solution to expand its network, operate in harsh climates and provide a user-friendly network management system.

The railroad selected our cnPilot enterprise Wi-Fi solution as it satisfied all of the requirements for the infrastructure upgrade. The railroad deployed nearly 200 cnPilot enterprise indoor and outdoor access points to provide Wi-Fi access throughout train yards, refueling stations, offices and station houses. The railroad manages its Wi-Fi network using cnMaestro end-to-end network controller. The railroad estimates that Cambium's solution reduced its annual network operating costs by 30%.



## **Sales and marketing**

We promote the sale of our products globally in partnership with our channel partners as well as through our direct sales force. Our sales organization typically engages directly with large Internet service providers and certain enterprises regardless of whether product fulfillment involves our channel partners, and also provide sales support to our channel partners across the platform. Our sales organization includes field and inside sales personnel, as well as regional technical managers with deep technical expertise who are responsible for pre-sales technical support and solutions engineering for network operators, systems integrators and channel partners. As of March 31, 2018, we had 133 sales personnel operating in over 25 countries.

Our marketing activities consist primarily of technology conferences, web marketing, trade shows, seminars, webinars and events, public training classes, public relations, analyst relations, demand generation and direct marketing to build our brand, increase customer awareness, communicate our product advantages and generate qualified leads for our field sales force and channel partners.

## **Support and services**

### ***Customer support***

We support our enterprise class solutions with a range of flexible service plans and 24/7 availability that provide assurance to network operators that their always-on, mission critical communications requirements will be met. We employ a team of support engineers and other support personnel to provide customer service and technical support for our products. Our support organization both supports channel partners in supporting their direct customers and provides first-line support to our direct customers. We offer multiple service options that allow network operators to select the service level that best meets their needs. Our team of support engineers and services personnel provides 24/7 technical support and customer service globally to our network operators. Technical support is also available on-line via chat and automated ticketing systems.

### ***Training***

We work closely with our channel partners and network operators to provide comprehensive product training so that they are familiar with the implementation and usage of our products. The training and certification system is administered through a learning management system that provides the user a record of their course work, exam results, current certifications and access to on demand self-directed training resources that complement instructor led sessions scheduled frequently around the world. In 2017, we also launched Cambium College, a free education program where senior members of our design and development teams share their experience to familiarize people with the math and physics concepts involved in designing and operating a wireless broadband or Wi-Fi network.

## **Cambium Community Forum**

To complement our customer support and training, we launched the Cambium Community Forum in 2014 as a platform where we, our network operators and our channel partners can collaborate in real-time on practical solutions to real-world deployment situations, contribute to and consult a collective online knowledge base concerning our products and best practices, and share stories and photographs of customer experiences about product installations and unique use cases of our technology. In 2017, we added a Global WISP Forum with a focus on providing specialized information to our wireless Internet service providers. Our Community Forum is moderated by our staff with direct and active engagement by our development engineering and product management personnel. Leveraging the Community Forum, we collect network operator and channel partner feedback on us on potential product improvements and new product ideas, including through the

administration of beta testing on our products. As of December 31, 2017, there were approximately 15,000 registered forum members on our Community Forum.

## **Manufacturing and supply**

We outsource the manufacturing of our products to conserve working capital, reduce our manufacturing overhead and inventory, optimize delivery lead times while maintaining high product quality and scale quickly to handle increased order volume. For certain products, we outsource both the design and manufacture of the product, and distribute the product under our name on a white label basis. We require all of our primary contract manufacturers to be ISO-9001 certified.

Our contract manufacturing partners generally procure the components needed to build our products and assemble our products according to our design specifications. This allows us to leverage the purchasing power of our contract manufacturing partners. For items that we design, we retain complete control over the bill of material, test procedures and quality assurance programs. We review, on an ongoing basis, forecasts, inventory levels, processes, capacity, yields and overall quality. Our contract manufacturers procure components and assemble our products based on our demand forecasts. These forecasts represent our estimates of future demand for our products based upon historical trends and analyses from our sales and product management functions as adjusted for overall market conditions. Generally, for our primary contract manufacturers, we update these forecasts monthly.

Once the completed products are manufactured and tested, configured, inspected and pass quality control inspection, our contract manufacturers ship the products to our direct fulfillment facilities in Kentucky, the Netherlands and Shanghai for shipment to our distribution partners and network operators. We outsource the warehousing and delivery of our products at these fulfillment facilities to a third-party logistics provider for worldwide fulfillment. Our products are installed by network operators or by third-party service providers such as system integrators or value added resellers on their behalf.

While components and supplies are generally available from a variety of sources, we and our contract manufacturers currently depend on a single or limited number of suppliers for several components for our products. For example, the majority of our products are dependent upon the incorporation of components from Qualcomm Atheros and we do not have a second source for these components. In addition, we currently have a limited number of suppliers for several other components for our products. We and our contract manufacturers generally rely on purchase orders rather than long-term contracts with these suppliers, although for certain components our contract suppliers have contracts in place with component suppliers that we are able to leverage. If we need to seek a suitable second source for key components or to modify our designs to use substitute components, our ability to meet the demand for our products, and as a result our business and operating results, could suffer.

## **Research and development**

As of March 31, 2018, our research and development organization had over 250 employees located primarily in San Jose, California, Rolling Meadows, Illinois, Ashburton, United Kingdom and Bangalore, India. We also work with contract engineers in various locations globally. Our research and development team has deep expertise and experience in wireless technology, antenna design and network architecture and operation. We expect to continue to expand our product offerings and solutions capabilities in the future and to invest significantly in continued research and development efforts. Our research and development expenses were \$26.3 million and \$32.2 million in 2016 and 2017, respectively.

## Intellectual property

Our success depends in part on our ability to protect our core technology and innovations. We rely on federal, state, common law and international rights, as well as contractual restrictions, to protect our intellectual property. We control access to our proprietary technology by entering into confidentiality and invention assignment agreements with our employees and contractors, and confidentiality agreements with third parties, such as Internet service providers, vendors, individuals and entities that may be exploring a business relationship with us. In addition to these contractual arrangements, we also rely on a combination of trade secrets, copyrights, patents, trademarks, service marks and domain names to protect our intellectual property. We seek patent protection for certain of our key innovations, protocols, processes and other inventions. We pursue the registration of our trademarks, service marks and domain names in the United States and England and in certain other locations outside of these jurisdictions. These laws, procedures and restrictions provide only limited protection and the legal standards relating to the validity, enforceability and scope of protection of intellectual property rights are uncertain and still evolving. Furthermore, effective patent, trademark, copyright and trade secret protection may not be available in every country in which our products are available.

As of December 31, 2017, we had 22 issued U.S. patents and 37 patents issued in various foreign jurisdictions as well as 12 U.S. and 53 foreign patent applications pending. We file patent applications in the United States and other countries where we believe there to be a strategic technological or business reason to do so. Although we actively attempt to utilize patents to protect our technologies, we believe that none of our patents, individually or in the aggregate, are material to our business.

## Competition

The market for wireless broadband solutions is rapidly evolving, highly competitive and subject to rapid technological change. We expect competition to persist, intensify and increase in the future.

In all of our markets, we compete with a number of wireless equipment providers worldwide that vary in size and in the products and solutions offered. Our competitors for products and solutions for the unlicensed, sub-6GHz spectrum bands include Radwin, MicroTik and Ubiquiti. In the licensed microwave markets, our competitors include SIAE, SAF Tehnica and Aviat. Our Wi-Fi products and solutions compete with Cisco Meraki, HPE (Aruba), Ruckus Wireless (Arria) and Ubiquiti. Our cnReach IIoT products and solutions compete with GE MDS and Freewave. As our target markets continue to develop and expand, and as the technology for wireless broadband continues to evolve, we expect competition to increase and expand from both established and emerging market participants. We also expect consolidation to impact the competitive landscape, such as the acquisition by Arris Group of Ruckus Wireless (Arria) in 2017.

The markets for our products and solutions are influenced by a variety of factors, including the following:

- total cost of ownership and return on investment associated with the solutions;
- ease of configuration, installation and use of the solution;
- ability to provide a complete compatible solution;
- broad application across a range of use cases and frequencies;
- product quality, functionality and reliability;
- ability to allow centralized management of the solutions to enable better network planning, including scalable provisioning, configuration, monitoring and complete network visualization; and
- ability to provide quality, full service pre- and post-sales product support.

We believe we compete favorably on each of these factors.

## **Regulatory requirements**

In addition to regulations of general application to global businesses, we are subject to a number of regulatory requirements specific to our industry, including, without limitation:

- rules relating to radio frequency spectrum allocation, licenses to use certain radio frequency spectrum, and authorization of certain radio equipment issued by the Federal Communications Commission, European Telecommunications Standards Institute or national standards organizations and enforcement of the foregoing;
- local type approval, or homologation, rules requiring confirmation that our products meet minimum regulatory, technical and safety requirements prior to sale in various countries around the world;
- import and export requirements issued by the United States, the European Union or other jurisdictions, including the U.S. Department of Commerce, the Office of Foreign Assets Control, the U.K. Foreign & Commonwealth Office, Department for International Development, Ministry of Defence and Department of International Trade including rules banning sales to persons or entities on applicable designated parties lists, or to persons or entities in embargoed countries, rules requiring export licenses prior to sales of products incorporating encryption technology to certain end users, and local rules governing import of products, including packaging and labeling laws; and
- rules and regulations, particularly in the United States and the European Union, governing environmental matters that restrict the use of certain dangerous substances in electrical or electronic equipment, govern use of certain chemical substances throughout their lifecycle and WEEE relate to the collection, treatment, recycling and recovery of waste electrical and electronic equipment in the European Union and related laws elsewhere.

We are also subject to rules governing our use of personal data, such as the General Data Protection Regulation in the European Union and other applicable regulations around the world, and current and proposed e-privacy and direct marketing rules governing direct and email marketing. In connection with becoming a public company, we will be subject to additional regulatory requirements, such as disclosure rules governing the inclusion of "conflict minerals" in our products the corporate governance provisions of the Sarbanes-Oxley Act, and rules implemented by the SEC and Nasdaq.

## **Employees**

We are focused on hiring, training, and retaining exceptional talent. As of March 31, 2018, we had 480 employees, of whom 289 are located outside the United States. We have not experienced any work stoppages, and we consider our relationship with our employees to be good.

## **Facilities**

As of March 31, 2018, we occupy approximately 38,000 square feet of office space in Rolling Meadows, Illinois under lease agreements that expire in 2023, where we have corporate and executive functions, research and development, customer support, operations and administration and finance services. We also lease approximately 27,000 square feet of office space in Ashburton, England under three lease agreements all of which expire in 2026 and approximately 12,000 square feet of office space in Bangalore, India under lease that expires in 2021 and approximately 9,000 square feet of office space in San Jose, California under lease that expires in 2022. In addition, we maintain offices in Miami, San Jose, Italy, Dubai, Mexico and Singapore.

## **Legal proceedings**

From time to time, we are a party to various litigation matters and subject to claims that arise in the ordinary course of business including, for example, patent infringement lawsuits by non-practicing entities. In addition, third parties may from time to time assert claims against us in the form of letters and other communications. There is no pending or threatened legal proceeding to which we are a party that, in our opinion, is likely to have a material adverse effect on our financial condition or results of operations. However, litigation is inherently unpredictable. Regardless of the outcome, litigation can adversely affect us because of defense and settlement costs, diversion of management resources and other factors.

# Management

## Executive officers and directors

The following table sets forth information concerning our executive officers and directors as of June 8, 2018.

Name	Age	Position(s)
<b>Executive Officers</b>		
Atul Bhatnagar	61	President and Chief Executive Officer and Director
Stephen Cumming	48	Chief Financial Officer
Raymond de Graaf	51	Senior Vice President, Operations
Scott Imhoff	49	Senior Vice President, Product Management
Sally Rau	59	General Counsel
Ronald Ryan	59	Senior Vice President, Global Channel Management
Bryan Shepeck	52	Senior Vice President, Global Sales
Vibhu Vivek	51	Senior Vice President, Products
<b>Non-Employee Directors</b>		
Robert Amen	44	Chairman of the Board
Alexander R. Slusky	51	Director
Bruce Felt	60	Director

(1) Member of our audit committee

(2) Member of our compensation committee

### Executive officers

*Atul Bhatnagar* has served as our President and Chief Executive Officer, or CEO, since February 2013 and has been on the board of directors of Cambium Networks, Ltd., the company through which we conduct our business, since September 2014. In connection with this offering, Mr. Bhatnagar was appointed as a member of our board of directors in April 2018. Prior to joining us, Mr. Bhatnagar served as the President and Chief Executive Officer of Ixia, a company that provided test and measurement equipment and applications to maintain wireless and wireline computer networks, from March 2008 until May 2012. Mr. Bhatnagar holds a B.S. degree in Electrical Engineering from the Birla Institute of Technology and Sciences and a M.S. in Electrical Engineering from the University of New Mexico, Albuquerque.

We believe that Mr. Bhatnagar possesses specific attributes that qualify him to serve as a member of our board of directors, including his extensive experience in the wireless and wireline networking industry and the operational insight and expertise he has accumulated as our President and CEO.

*Stephen Cumming* has served as our Chief Financial Officer since July 2018. Prior to joining us, Mr. Cumming served as the Chief Financial Officer of Kenandy, Inc., a B2B software provider company, from August 2014 until January 2018. Previously, Mr. Cumming served as the Vice President and Chief Financial Officer of Atmel Corporation, a worldwide leader in the design and manufacture of microcontrollers, from July 2008 until April 2013. Prior to joining Atmel, Mr. Cumming was the VP of Finance at Fairchild Semiconductor from Sept 1997 to July 2008, and during his tenure was interim Chief Financial Officer from Sept 2005 to April 2006. Prior to

## [Table of Contents](#)

joining Fairchild Mr Cumming held various financial management positions at National Semiconductor Corporation. Mr. Cumming has a Bachelor of Science Degree in Business from the University of Surrey and is a U.K. Chartered Management Accountant.

*Raymond de Graaf* has served as our Senior Vice President, Operations since September 2015. Prior to joining us, Mr. de Graaf was Vice President of Operations at Ixia from January 2008 until February 2015 and served as Senior Vice President of Operations at Ixia until August 2015. Mr. de Graaf holds a B.S. in Logistics Engineering and Business Administration from NHTV International Hogeschool Breda, a graduate degree in Global Business Administration from Nyenrode University, and a global executive M.B.A from Duke University's Fuqua School of Business.

*Scott Imhoff* has served as our Senior Vice President, Product Management since July 2016. Mr. Imhoff joined us in October 2011 from Motorola Solutions and served in a variety of business development positions, including Director of Business Development, Vice President of Global Partner Development, and Vice President and Senior Vice President of Product Management. Mr. Imhoff holds a B.S. in Economics from Iowa State University and a M.B.A. from Lake Forest Graduate School of Management.

*Sally Rau* has served as our general counsel since February 2015. In the intervening period between 2014 and 2015, Ms. Rau was a consultant for law firms in the San Francisco Bay Area. Prior to 2014, Ms. Rau served as General Counsel of Velti, a provider of mobile marketing and advertising technology and solutions, a position she held from August 2010 until December 2013. Entities affiliated with Velti filed for bankruptcy protection in November 2013. From June 1998 until September 2010, Ms. Rau was in private practice and, from 2000 a partner at DLA Piper, a global law firm. Ms. Rau holds a B.A. in History from the University of California, Berkeley, and a J.D. from the University of Oregon, School of Law. Ms. Rau is a member of the State Bar of California.

*Ronald Ryan* has served as our Senior Vice President, Global Channel Management since May 2017. Mr. Ryan joined us in April 2013 and has served in a variety of positions including Vice President of global channel management, Director of Global Channels and interim Vice President of North American Sales and Global Sales Operations. Prior to joining Cambium, Mr. Ryan served in a variety of roles at Hutton Communications, a distributor of wireless communication infrastructure products, starting in 2000 as Senior Vice President and Director of Sales and Marketing until taking over as Chief Operating Officer for the last two years ending in 2012. Prior to Hutton Communications, Mr. Ryan spent 15 years with Arrow Electronics, an electronic component supplier. Mr. Ryan holds a M.B.A. from Pepperdine University.

*Bryan Sheppeck* has served as our Senior Vice President, Global Sales since January 2015. Previously, Mr. Sheppeck served as a Senior Vice President of global sales and Executive Vice President of worldwide sales at Aspect Software, a call center and customer service company from December 2012 and May 2014. Mr. Sheppeck holds a B.S. in industrial engineering from Worcester Polytechnic Institute and holds a M.B.A. from George Washington University.

*Vibhu Vivek* has served as our Senior Vice President, Products since June 2013. Prior to joining us, he served as Senior Director of Engineering from January 2007 to November 2008, and Vice President of Engineering from November 2008 until June 2013 for the Enterprise Network and Communications Business Unit within Motorola Solutions. Mr. Vivek holds a B.S. in engineering from the Indian Institute of Technology Delhi, a M.S. in engineering from Indian Institute of Technology and a M.S. in civil engineering from the University of Maine.

### **Non-employee directors**

*Robert Amen*, has served as a member of our board of directors since our divestiture from Motorola Solutions in October 2011 and as our Chairman of the Board since 2018. Mr. Amen joined Vector as an Associate in 1999 and became Managing Director in 2012. Before joining Vector Capital, Mr. Amen was a Business Development

## [Table of Contents](#)

Manager at Microsoft Corporation and a Corporate Finance Analyst in the Technology practice at Montgomery Securities. Mr. Amen has a B.A. in history and economics from Stanford University and a M.B.A from The Wharton School.

We believe that Mr. Amen possesses specific attributes that qualify him to serve as a member of our board of directors and a member of our committee, including his experience as an investor in the technology industry and as a member of the board of directors of other private companies.

*Alexander R. Slusky* has served as a member of our board of directors since our divestiture from Motorola Solutions in October 2011. In addition, Mr. Slusky was a director of Technicolor SA from 2012 to 2015. Mr. Slusky is the founder of Vector Capital, where he has served as Vector Capital's Chief Investment Officer since 1997. Prior to joining Vector Capital, Mr. Slusky led the technology equity practice at Ziff Brothers Investments, a private investment firm. Before joining Ziff Brothers, Mr. Slusky was at New Enterprise Associates, a venture capital fund, focusing on investments in software, communications and digital media. Prior to New Enterprise Associates, Mr. Slusky was a consultant at McKinsey & Company. Mr. Slusky holds a B.A. in Economics from Harvard University and a M.B.A. from Harvard Business School.

We believe that Mr. Slusky possesses specific attributes that qualify him to serve as a member of our board of directors and a member of our committee, including his experience as an investor in the technology industry and as a member of the board of directors of other public and private companies.

*Bruce Felt* has served as a member of our board of directors since May 2018 and has agreed to serve as the chair of our audit committee when that committee is established. In addition, Mr. Felt has served as the Chief Financial Officer of Domo, a cloud-based enterprise software company, since August 2014. From June 2012 to June 2014, Mr. Felt served as the Chief Financial Officer of Ten-X, an online real estate marketplace. From October 2006 to June 2012, Mr. Felt served as the Chief Financial Officer of SuccessFactors, a cloud-based human capital management software company. Mr. Felt is currently a member the board of directors of Evolent Health, a healthcare services management company, and Personal Capital, a provider of wealth management applications and services. Mr. Felt was a member of the board of directors of Yodlee, a provider of financial applications, from March 2014 until November 2015. Mr. Felt holds a B.S. in accounting from the University of South Carolina and a M.B.A. from Stanford University Graduate School of Business.

We believe that Mr. Felt possesses specific attributes that qualify him to serve as a member of our board of directors and the Audit Chair of our audit committee, including his experience as a chief financial officer and a member of the board of directors of public and private companies.

## **Family relationships**

There are no family relationships among any of our executive officers or directors.

## **Board of directors**

Our board of directors currently consists of, and our Amended and Restated Memorandum and Articles of Association that will become effective upon the closing of this offering authorize, \_\_\_\_\_ directors. Our Amended and Restated Memorandum and Articles of Association that will become effective upon the closing of this offering provides that the authorized number of directors may be changed only by resolution of our board of directors.

Our Amended and Restated Memorandum and Articles of Association also provide that our directors may be removed only for cause by the affirmative vote of the holders of at least 75% of the votes that all our shareholders would be entitled to cast in an annual election of directors. See "Description of Share Capital—Anti-takeover provisions of our Amended and Restated Memorandum and Articles of Association" elsewhere in this prospectus.



## [Table of Contents](#)

Pursuant to the Shareholder Agreement described under “Certain Relationships and Related Party Transactions—Shareholder Agreement,” Vector Capital is entitled to nominate members of our board of directors as follows: so long as affiliates of Vector Capital own, in the aggregate, (i) not less than 5% of our shares outstanding up to 25% of our outstanding shares, Vector Capital will be entitled to nominate one director, (ii) more than 25% but less than 50% of our shares, Vector Capital will be entitled to nominate two directors or (iii) if Vector Capital holds greater than 50% of our shares, Vector Capital will be entitled to a number of directors proportionate to their voting interest.

The directors presently nominated by Vector Capital are Alexander Slusky and Robert Amen who we refer to as the Vector Capital Directors.

In accordance with our Amended and Restated Memorandum and Articles of Association, our directors are divided into three classes serving staggered three-year terms. Upon expiration of the term of a class of directors, directors in that class will be eligible to be elected for a new three-year term at the annual meeting of shareholders in the year in which their term expires. As a result of this classification of directors, it generally takes at least two annual meetings of shareholders for shareholders to effect a change in a majority of the members of our board of directors. Our directors will be divided among the three classes as follows:

- are Class I directors and their terms will expire at the annual meeting of shareholders to be held in 2019;
- are Class II directors and their terms will expire at the annual meeting of shareholders to be held in 2020; and
- are Class III directors and their terms will expire at the annual meeting of shareholders to be held in 2021.

Upon the expiration of the term of a class of directors, directors in that class will be eligible to be elected for a new three-year term at the annual meeting of shareholders in the year in which their term expires. An election of our directors by our shareholders will be determined by a plurality of the votes cast by the shareholders entitled to vote on the election. Any additional directorships resulting from an increase in the number of directors will be distributed among the three classes so that, as nearly as possible, each class will consist of one-third of the directors. This classification of our board of directors may have the effect of delaying or preventing changes in our control or management. See “Description of share capital—Anti-takeover provisions of our Amended and Restated Memorandum and Articles of Association—Classified board of directors” elsewhere in this prospectus.

### **Controlled company exemption**

Upon completion of this offering, investment funds affiliated with Vector Capital will beneficially own \_\_\_\_\_ % of our outstanding shares, or approximately \_\_\_\_\_ % if the underwriters exercise their option to purchase additional shares in full. As a result, we intend to rely on the controlled company exemption under the Nasdaq corporate governance rules, including exemptions from certain corporate governance requirements such as requirements:

- that a majority of our board of directors consists of “independent directors,” as defined under the rules of Nasdaq;
- that the compensation of our executive officers be determined, or recommended to the board of directors for determination, by majority vote of the independent directors or by a compensation committee comprised solely of independent directors; and

## [Table of Contents](#)

- that director nominees be selected, or recommended to the board of directors for selection, by majority vote of the independent directors or by a nomination committee comprised solely of independent directors.

These exemptions do not modify the independence requirements for our audit committee, which require that our audit committee be comprised exclusively of independent directors. However, under the Nasdaq corporate governance rules, we are permitted to phase in our independent audit committee with one independent member at the time of listing, a majority of independent members within 90 days of listing and a fully independent committee within one year of listing. See “—Director independence.”

Accordingly, if you purchase shares in this offering you may not have the same protections afforded to shareholders of companies that are subject to all of the Nasdaq corporate governance requirements. In the event that we cease to be a controlled company, we will be required to comply with these provisions within the transition periods specified in the rules of Nasdaq.

## **Board committees**

Our board of directors has established an audit committee and a compensation committee. We do not intend to form a nominating and corporate governance committee at this time, and the independent members of our board of directors will be responsible for nominations.

Pursuant to the Shareholder Agreement, for so long as Vector Capital may nominate a Vector Capital Director, Vector Capital is entitled to have a Vector Capital Director serve as a member of each of the committees of the board of directors, provided that such service is not prohibited by applicable listing standards. If we establish a committee to consider a proposed transaction between Vector Capital and us, then such board committee may exclude from participation such Vector Capital Director nominated by the Vector Capital entity which transaction is being considered by such committee. See “Certain relationships and related party transactions—Shareholder agreement” elsewhere in this prospectus.

### ***Audit committee***

Our audit committee consists of \_\_\_\_\_, with \_\_\_\_\_ serving as the chair. Our board of directors has determined that \_\_\_\_\_ is independent within the meaning of Rule 10A-3 under the Exchange Act. Our board of directors has also determined that \_\_\_\_\_ is an “audit committee financial expert” as defined by the applicable SEC rules.

In accordance with our audit committee charter, our audit committee is responsible for, among other things:

- overseeing our corporate accounting and financial reporting processes and our internal controls over financial reporting;
- evaluating the independent public accounting firm’s qualifications, independence and performance;
- engaging and providing for the compensation of the independent public accounting firm;
- approving the retention of the independent public accounting firm to perform any proposed permissible non-audit services;
- reviewing our consolidated financial statements;
- reviewing our critical accounting policies and estimates and internal controls over financial reporting;
- discussing with management and the independent registered public accounting firm the results of the annual audit and the reviews of our quarterly consolidated financial statements; and

## [Table of Contents](#)

- such other matters that are specifically designated to the audit committee by our board of directors from time to time.

We expect to satisfy the member independence requirements for the audit committee prior to the end of the transition period provided under the current Nasdaq and SEC rules and regulations for companies completing their initial public offering.

### **Compensation committee**

Our compensation committee consists of \_\_\_\_\_, with \_\_\_\_\_ serving as chair. We intend to avail ourselves of certain exemptions afforded to controlled companies under the Nasdaq corporate governance rules, which will exempt us from the requirement that we have a compensation committee composed entirely of independent directors. We intend to comply with future requirements to the extent they become applicable to us.

In accordance with our compensation committee charter, our compensation committee is responsible for, among other things:

- reviewing and recommending policies relating to compensation and benefits of our officers and employees, including reviewing and approving corporate goals and objectives relevant to compensation of the Chief Executive Officer and other senior officers;
- evaluating the performance of the Chief Executive Officer and other senior officers in light of those goals and objectives;
- setting compensation of the Chief Executive Officer and other senior officers based on such evaluations;
- administering the issuance of options and other awards under our equity-based incentive plans; and
- such other matters that are specifically designated to the compensation committee by our board of directors from time to time.

### **Code of business conduct and ethics**

Our board of directors has adopted a code of business conduct and ethics, which establishes the standards of ethical conduct applicable to all of our directors, officers and employees, and a code of ethics for senior financial officers that applies to our Chief Executive Officer, the Chief Financial Officer, the Chief Accounting Officer, the Controller and persons performing similar functions. A copy of our code of conduct is posted on our website, [www.cambiumnetworks.com](http://www.cambiumnetworks.com). In addition, we intend to post on our website all disclosures that are required by law or the Nasdaq Listing Rules concerning any amendments to, or waivers from, any provision of the code.

### **Compensation committee interlocks and insider participation**

None of the members of our compensation committee is or has been an officer or employee of our company. None of our executive officers currently serves, or in the past year has served, as a member of the board of directors or compensation committee (or other board committee performing equivalent functions) of any entity that has one or more executive officers serving on our board of directors or compensation committee.

### **Limitations on director and officer liability and indemnification**

Cayman Islands law does not limit the extent to which a company's memorandum and articles of association may provide for indemnification of officers and directors, except to the extent any such provision may be held

## [Table of Contents](#)

by the Cayman Islands courts to be contrary to public policy, such as to provide indemnification against willful default, fraud or the consequences of committing a crime. Our Amended and Restated Memorandum and Articles of Association provide that we shall indemnify our officers and directors against all actions, proceedings, costs, charges, expenses, losses, damages or liabilities incurred or sustained by such directors or officers, other than by reason of such person's dishonesty, willful default or fraud, in or about the conduct of our company's business or affairs (including as a result of any mistake of judgment) or in the execution or discharge of his duties, powers, authorities or discretions, including without prejudice to the generality of the foregoing, any costs, expenses, losses or liabilities incurred by such director or officer in defending (whether successfully or otherwise) any civil proceedings concerning our company or its affairs in any court whether in the Cayman Islands or elsewhere. This standard of conduct is generally the same as permitted under the Delaware General Corporation Law for a Delaware corporation.

Insofar as indemnification for liabilities arising under the Securities Act of 1933, or the Securities Act, may be permitted to our directors, officers or persons controlling us under the foregoing provisions, we have been informed that, in the opinion of the SEC, such indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable.

We have entered into separate indemnification agreements with our directors and executive officers, in addition to the indemnification provided for in our Amended and Restated Memorandum and Articles of Association. These agreements, among other things, provide that we will indemnify our directors and executive officers for certain expenses (including attorney's fees), judgments, fines, penalties and settlement amounts incurred by a director or executive officer in any action or proceeding arising out of such person's services as one of our directors or executive officers, or any other company or enterprise to which the person provides services at our request. We believe that these provisions and agreements are necessary to attract and retain qualified persons as directors and executive officers.

The limitation of liability and indemnification provisions contained in our Amended and Restated Memorandum and Articles of Association may discourage shareholders from bringing a lawsuit against our directors for breach of their fiduciary duty. They may also reduce the likelihood of derivative litigation against our directors and officers, even though an action, if successful, might benefit us and other shareholders. Further, a shareholder's investment may be adversely affected to the extent that we pay the costs of settlement and damage awards against directors and officers as required by these indemnification provisions. There is no pending litigation or proceeding involving one of our directors or executive officers as to which indemnification is required or permitted, and we are not aware of any threatened litigation or proceeding that may result in a claim for indemnification.

## Executive compensation

### Overview

This section provides a discussion of the compensation paid or awarded to our President and Chief Executive Officer and our two other most highly compensated executive officers as of December 31, 2017. We refer to these individuals as our “named executive officers.” For 2017, our named executive officers were:

- Atul Bhatnagar, President and Chief Executive Officer;
- Bryan Sheppeck, Senior Vice President—Sales; and
- Vibhu Vivek, Senior Vice President—Products.

Our current executive compensation program is intended to align executive compensation with our business objectives and to enable us to attract, retain and reward executive officers who contribute to our long-term success. The compensation paid or awarded to our named executive officers is generally based on the assessment of each individual’s performance compared against the business objectives established for the fiscal year as well as our historical compensation practices. Prior to this offering, we provided each of our named executive officers with an annual base salary and annual incentive compensation. In addition, our named executive officers have received long-term incentives in the form of Class B Units in VCH, L.P. The details of these elements of our executive compensation program are discussed below.

We expect our executive compensation program to evolve in response to the new business demands and challenges that we will face as a public company. The compensation committee of our board of directors will continue our board’s pre-offering practice of reviewing our executive officers’ overall compensation packages on an annual basis or more frequently as the compensation committee deems warranted.

### Compensation of named executive officers

#### *Base salary*

Base salaries are intended to provide a level of compensation sufficient to attract and retain an effective management team, when considered in combination with the other components of our executive compensation program. The relative levels of base salary for our named executive officers are designed to reflect each executive officer’s scope of responsibility and accountability with us. Please see the “Salary” column in the 2017 Summary Compensation Table for the base salary amounts received by each named executive officer in 2017.

#### *Annual incentive compensation*

Historically, we have provided members of our senior leadership team (other than Mr. Bhatnagar) with annual incentive compensation, either through our annual bonus program or through a commissions-based program. As discussed below, Mr. Bhatnagar receives annual incentive compensation through the grant of Class B Units, the vesting of which is tied to the achievement of our annual cash bonus plan goals.

Annual incentive compensation holds executives accountable, rewards the executives based on actual business results and helps create a “pay for performance” culture. Our annual incentive program provides variable compensation based on the achievement of performance goals established by our board of directors at the beginning of fiscal year 2017. Under the 2017 annual incentive compensation program, variable compensation was payable based on the achievement of certain corporate financial performance measures relating to revenues and earnings before interest, taxes, depreciation and amortization, or EBITDA, each weighted at 50%. The actual incentive compensation payable to specific individuals under the 2017 annual incentive compensation program was subject to modification based on individual performance for 2017.

## [Table of Contents](#)

Following the end of 2017, the board of directors reviewed our achievements against the revenue and EBITDA financial performance measures and determined that we exceeded target levels of achievement for each of these performance measures. For 2017, the variable compensation opportunities for Messrs. Sheppeck and Vivek were 100% and 40% of their respective base salaries, with Mr. Sheppeck's variable compensation delivered through a commissions-based program. The actual incentive compensation payable to our named executive officers under the 2017 annual incentive compensation program are set forth in the "Non-Equity Incentive Plan Compensation" column of the 2017 Summary Compensation Table.

As noted above, Mr. Bhatnagar has historically received Class B Units of VCH, L.P. (which are described in detail below) in lieu of receiving an annual cash bonus, with the vesting of the Class B Units tied to the same performance goals that are applicable to the Company's annual cash bonus plan. These Class B Unit awards have historically been viewed as multi-year grants to cover Mr. Bhatnagar's annual bonus for a specified number of years. In 2017, Mr. Bhatnagar received a grant of 463,752 Class B Units in lieu of cash bonuses for the 2017 and 2018 performance years. A target of 50% of the Class B Units was scheduled to vest based on the Company's achievement of 2017 revenue and EBITDA goals, and the remaining 50% of the target Class B Units is scheduled to vest based on the Company's achievement of 2018 revenue and EBITDA goals. Based on 2017 performance, in April 2018, VCH, L.P. determined that the portion of the Class B Units allocated to 2017 performance had vested.

### **Class B units**

VCH, L.P. was formed pursuant to an initial exempted limited partnership agreement, dated September 8, 2011 among affiliates of Vector Capital. Under the VCH LPA, the general partner of VCH, L.P. has the power to award management incentive units, or MIUs, in the limited partnership to any director, employee, consultant or other service providers of the limited partnership or its subsidiaries, which includes our Company. We refer to this as the MIU Plan.

The MIU Plan permits awards in the form of Class B Units in VCH, L.P. as well as phantom units that provide the holder the same economic benefits of a Class B Unit. As of December 31, 2017, our named executive officers have only received Class B Units. Class B Units represent an equity interest in VCH, L.P.; however, the Class B Unit grants have what is called a "participation threshold" set based on the value assigned to a Class A Unit of VCH, L.P. at the time of the Class B Units. The Class B Units only share in equity appreciation above the participation threshold. This places the Class B Unit grants in a secondary position to the Class A Units in that in any event in which the equity is valued and paid out, holders of the Class B Units are paid only if an amount at least equal to the participation threshold has first been allocated to the Class A Units. The Class A Units and the Class B Units share equally in distributions, if any, above the participation threshold.

In accordance with the terms of the VCH LPA, we may grant both time-based Class B Units and performance-based Class B Units. The Class B Units become vested and eligible to participate in partnership distributions as follows:

- **Time-based units:** Vesting of time-based Class B Units commences on the date of award and continues over a period of forty-eight months. Twenty-five percent (25%) of the units become vested and eligible to participate in partnership distributions on the first anniversary of the award date ("Initial Vesting Date"), and the remaining 75% of the units shall become vested and eligible to participate in partnership distributions ratably on a monthly basis over the thirty-six (36) months following the Initial Vesting Date. Unvested time-based Class B Units are also forfeited upon the consummation of an exit sale transaction (as defined in the VCH LPA), unless Vector Capital achieves a specified equity return of at least 3.0 times prior to or in connection with the sale, in which case all unvested time-based Class B Units will fully vest.

## [Table of Contents](#)

- **Performance-based units:** Performance-based Class B Units vest and are eligible to participate in partnership distributions when and if the Class A Units achieve a specific equity return of 3.0 times or 6.0 times depending on the terms of the award.

In addition, no Class B Units are eligible to participate in distributions until the Class A Units have first received a return of original invested capital.

If the employee terminates employment before all participation and eligibility thresholds and criteria are met, all unvested Class B Units held as of the date of termination automatically expire and are forfeited without any further action required, and all vested Class B Units held as of the date of termination are subject to repurchase by VCH, L.P. (solely at its option).

In connection with this offering, Class B Units in VCH, L.P. will be exchanged for shares, restricted share awards or restricted share units to acquire our shares, in the Recapitalization. The equity awards acquired in connection with the Recapitalization will be subject to the same time-based vesting conditions as the related Class B Units to the extent not satisfied as of the offering. After the Recapitalization has been completed, VCH, L.P. will have no further right to issue Class B Units to our officers and employees.

Other than the Class B Units granted to Mr. Bhatnagar in lieu of an annual cash bonus, none of our other named executive officers received Class B Units in 2017. Please see the "Outstanding Equity Awards at 2017 Fiscal Year-End" table for information regarding Class B Units held by our named executive officers as of December 31, 2017.

### 2017 Summary compensation table

The following table shows information regarding the compensation of our named executive officers for services performed in the year ended December 31, 2017.

Name and principal position	Year	Salary (\$)	Bonus (\$)	Share awards (\$) <sup>(1)</sup>	Non-equity incentive plan compensation (\$) <sup>(2)</sup>	All other compensation (\$) <sup>(3)</sup>	Total (\$)
Atul Bhatnagar, <i>President and Chief Executive Officer</i>	2017	486,923	—	649,283	— <sup>(4)</sup>	10,800	1,147,006
Bryan Sheppeck <i>Senior Vice President—Sales</i>	2017	270,000	—	—	336,737	10,800	617,537
Vibhu Vivek <i>Senior Vice President—Products</i>	2017	296,667	—	—	171,592	10,800	479,059

(1) See Note 10 to the Consolidated Financial Statements for a discussion of the relevant assumptions used in calculating these amounts. Amounts reported in this column reflect the aggregate grant date fair value of Class B Units awarded in 2017 to Mr. Bhatnagar, computed in accordance with FASB ASC Topic 718, Compensation—Stock Compensation.

(2) Amounts represent annual performance cash incentive payments, or pro-rated portions, awarded by our board of directors.

(3) Amounts represent 401(k) matching contributions for all NEOs.

(4) As discussed above, Mr. Bhatnagar received Class B Units in 2017 in lieu of receiving an annual cash bonus for 2017 or 2018. Please see the "Annual cash bonuses" section above for details regarding the compensation that Mr. Bhatnagar receives in lieu of cash incentives.

## Outstanding equity awards at 2017 fiscal year-end

The following table sets forth information regarding outstanding Class B Unit awards held by our named executive officers as of December 31, 2017.

Name	Grant date	Number of units that have not vested (#) <sup>(1)</sup>	Market value of units that have not vested (\$) <sup>(2)</sup>	Share awards	
				Equity incentive plan awards: number of unearned units that have not vested (#)	Equity incentive plan awards: market value of unearned units that have not vested (\$) <sup>(2)</sup>
Atul Bhatnagar	4/30/2013	—	—	1,559,682 <sup>(3)</sup>	4,086,367
	4/30/2013	—	—	1,559,682 <sup>(4)</sup>	4,086,367
	8/15/2017	231,876 <sup>(5)</sup>	607,515	231,876 <sup>(5)</sup>	607,515
Bryan Sheppeck	4/28/2015	36,458	—	175,000 <sup>(3)</sup>	458,500
	11/8/2016	16,146	—	25,000 <sup>(3)</sup>	65,500
Vibhu Vivek	8/27/2013	—	—	371,130 <sup>(3)</sup>	972,361

(1) Amounts reported in this column represent the number of unvested Class B Units held by each named executive officer as of December 31, 2017. For each of the named executive officers, the Class B Units vest over four years, with 1/4 vesting on the first anniversary of the date of grant and 1/48 per month thereafter.

(2) The Class B Units are not publicly traded and, therefore, there was no ascertainable public market value for the Class B Units as of December 31, 2017. The market value reported in this table is based upon a December 31, 2017 valuation analysis of the "fair market value" (as defined in VCH, L.P.'s applicable equity documents) of total VCH, L.P. equity.

(3) Represents Class B Units that fully vest if Vector Capital achieves a 3.0x total equity return multiple.

(4) Represents Class B Units that fully vest if Vector Capital achieves a 6.0x total equity return multiple.

(5) Represents Class B Units awarded in lieu of annual cash bonuses for 2017 and 2018. See the section titled "annual cash bonuses" for details regarding the vesting of these Class B Units. The Class B Units reported in the "Number of units that have vested" column were no longer subject to performance-based vesting conditions as of December 31, 2017 and vested in full upon the Board of Director's certification of performance in April 2018. The Class B Units reported in the "Equity incentive plan awards: number of unearned units that have not vested" column will vest if the Company achieves certain performance-based vesting conditions during 2018 and Mr. Bhatnagar's continued employment through December 31, 2018.

## Employment agreements and potential payments upon termination or change-in-control

### Existing executive employment arrangements

We are a party to an employment agreement with Mr. Bhatnagar that provides for certain severance and vesting benefits if he is involuntarily terminated, which benefits may vary if the involuntary termination was under certain circumstances in connection with or during the 12-month period following a change in control. As of December 31, 2017, we were not subject to an employment agreement with either Messrs. Sheppeck or Vivek that provided for separation benefits. In connection with commencement of employment, each of Messrs. Sheppeck and Vivek received an offer letter setting forth the basic terms of employment, including his initial base salary, initial incentive compensation opportunity and eligibility with respect to our broad-based retirement, health and welfare plans.

Mr. Bhatnagar's employment agreement provides for severance payments upon a termination without cause or a resignation for good reason (each as defined in the employment agreement), subject to Mr. Bhatnagar's execution and non-revocation of a general release of claims in favor of us. In either case, Mr. Bhatnagar would receive (i) base salary continuation and continued participation in our group health plans for Mr. Bhatnagar and his eligible dependents at our expense for 12 months following termination and (ii) a pro-rata portion of his annual bonus for the fiscal year in which the termination occurs based on actual performance for the year. If Mr. Bhatnagar's employment is terminated without cause or for good reason within 12 months before or after the occurrence of a change of control or initial public offering of the Company, all of his unvested equity would fully vest on his termination date. Additionally, all time-based Class B Units will accelerate and vest upon the closing of a change of control with respect to the Company, VCH, L.P. or any subsidiary of VCH, L.P.



### **401(k) Plan and other retirement plans**

We maintain a tax-qualified 401(k) retirement plan for all U.S. employees who satisfy certain eligibility requirements, including requirements relating to age and length of service. Under our 401(k) plan, employees may elect to defer up to all eligible compensation, subject to applicable annual Internal Revenue Code limits. We match up to 4% of contributions made by our employees, including executives, with the match becoming fully vested after two years of service.

In addition, we maintain a qualified defined contribution plan for all U.K. employees who satisfy certain eligibility requirements. Under the U.K. retirement plan, eligible employees are automatically enrolled in the plan at a default employee contribution rate of 3% of eligible compensation and we make a matching contribution of 5%. Our matching contribution rate increases by 1% for each additional 1% that the employee contributes up to a maximum of 7%. Our matching contributions vest immediately and employees are always fully vested in their own contributions.

### **New compensation plans**

#### **2018 Share Incentive Plan**

Following this offering, we expect to grant awards under the 2018 Share Incentive Plan. In \_\_\_\_\_, our board of directors adopted, and our shareholder approved, the 2018 Share Incentive Plan. The 2018 Share Incentive Plan provides for the grant of incentive share options, nonqualified share options, share appreciation rights, restricted share awards, restricted share units, or RSUs, other share-based awards and performance awards. The number of our shares that may be issued under the 2018 Share Incentive Plan is \_\_\_\_\_, in addition to the restricted shares and restricted share units we expect to grant in substitution for unvested Class B Units or phantom units in connection with this offering assuming an initial public offering price of \_\_\_\_\_ per share, which is the midpoint of the range set forth on the cover of this prospectus. The share reserve under the 2018 incentive plan will be increased on the first day of each fiscal year, beginning with the fiscal year ending December 31, 2019 and continuing until, and including, the fiscal year ending December 31, 2028. The annual increase will be equal to the lowest of \_\_\_\_\_ shares, \_\_\_\_\_ % of the number of our shares outstanding on the first day of such fiscal year, and an amount determined by our board of directors.

Our employees, officers, directors, consultants and advisors are eligible to receive awards under the 2018 Share Incentive Plan. Incentive share options, however, may be granted only to our employees. Participants in the 2018 Share Incentive Plan will also consist of persons to whom restricted share awards and restricted share units are granted in substitution for Class B Units in VCH, L.P. in connection with this offering. We expect to grant under the 2018 Share Incentive Plan options to purchase an aggregate of \_\_\_\_\_ shares and restricted share units with respect to an aggregate of \_\_\_\_\_ shares to certain of our employees, in each case upon the commencement of trading of our shares on the Nasdaq.

Pursuant to the terms of the 2018 Share Incentive Plan, our board of directors (or a committee delegated by our board of directors) administers the plan and, subject to any limitations in the plan, will select the recipients of awards and determine:

- the number of our shares covered by options and the dates upon which the options become exercisable;
- the type of options to be granted;
- the duration of options, which may not be in excess of ten years;
- the exercise price of options, which must be at least equal to the fair market value of our shares on the date of grant; and

## [Table of Contents](#)

- the number of our shares subject to and the terms of any share appreciation rights, restricted share awards, restricted share units, other share-based awards or performance awards and the terms and conditions of such awards, including conditions for repurchase, issue price and repurchase price (though the measurement price of share appreciation rights must be at least equal to the fair market value of our shares on the date of grant and the duration of such awards may not be in excess of ten years).

Our board of directors may delegate authority to an executive officer to grant awards under the 2018 Share Incentive Plan to employees other than executive officers, subject to the terms of the 2018 Share Incentive Plan.

*Effect of certain changes in capitalization.* Upon a change to our shares without the receipt of consideration by us, such as through a stock split, stock dividend, extraordinary distribution, recapitalization, combination of shares, exchange of shares, or other similar transaction, appropriate adjustments will be made in the number, class, and price of shares subject to each outstanding award and the numerical share limits contained in the plan.

*Effect of certain corporate transactions.* Upon a change in control (as defined in our 2018 Share Incentive Plan), our board of directors may, in its discretion, determine whether some or all outstanding options and share appreciation rights will become exercisable in full or in part, whether the restriction period and performance period applicable to some or all outstanding restricted share awards and restricted share unit awards will lapse in full or in part and whether the performance measures applicable to some or all outstanding awards will be deemed to be satisfied. Our board of directors may further require that shares of stock of the corporation resulting from such a change in control, or a parent corporation thereof, be substituted for some or all of our shares subject to an outstanding award and that any outstanding awards in whole or in part, be surrendered to us by the holder, to be immediately cancelled by us, in exchange for a cash payment, shares of capital stock of the corporation resulting from or succeeding us or a combination of both cash and such shares.

Our board of directors does not need to take the same action with respect to all awards, all awards held by a participant or all awards of the same type.

At any time, our board of directors may, in its sole discretion, provide that any award under the 2018 Share Incentive Plan will become immediately exercisable in full or in part, free of some or all restrictions or conditions, or otherwise realizable in whole or in part as the case may be.

No award may be granted under the 2018 Share Incentive Plan on or after the date that is ten years following the effectiveness of the 2018 Share Incentive Plan. Our board of directors may amend, suspend or terminate the 2018 Share Incentive Plan at any time, except that shareholder approval may be required to comply with applicable law or share market requirements.

*Transferability of Awards.* The 2018 Share Incentive Plan does not allow awards to be transferred other than by will or the laws of inheritance following the participant's death, and options may be exercised, during the lifetime of the participant, only by the participant. However, an award agreement may permit a participant to assign an award to a family member by gift or pursuant to a domestic relations order, or to a trust, family limited partnership or similar entity established for one of the participant's family members. A participant may also designate a beneficiary who will receive outstanding awards upon the participant's death.

### **Employee Share Purchase Plan**

In \_\_\_\_\_, our board of directors adopted, and our shareholder approved, our Employee Share Purchase Plan, or the ESPP. Our ESPP will be effective prior to the effectiveness of this offering; however, no offering period or purchase period under the ESPP will begin unless and until determined by our board of directors.

## Table of Contents

*Authorized shares.* A total of \_\_\_\_\_ shares will be available for sale under our ESPP. The number of shares that will be available for sale under our ESPP also includes an annual increase on the first day of each fiscal year beginning in 2019, equal to the lesser of: \_\_\_\_\_ shares; 1.5% of the outstanding shares as of the last day of the immediately preceding fiscal year; and such other amount as the administrator may determine.

*Plan administration.* Our board of directors (or a committee appointed by our board of directors) will administer our ESPP and have full authority to interpret the terms of our ESPP and determine eligibility to participate, subject to the conditions of our ESPP, as described below. We expect our compensation committee to administer our ESPP. The administrator will have full and exclusive discretionary authority to construe, interpret, and apply the terms of the ESPP, to delegate ministerial duties to any of our employees, to designate separate offerings under the ESPP, to designate our subsidiaries and affiliates as participating in the ESPP, to determine eligibility, to adjudicate all disputed claims filed under the ESPP and to establish procedures that it deems necessary or advisable for the administration of the ESPP.

*Eligibility.* Generally, all of our employees will be eligible to participate if they are customarily employed by us, or any participating subsidiary, for at least 20 hours per week and more than five months in any calendar year. The administrator, in its discretion, may, prior to an enrollment date for all options granted on such enrollment date in an offering, determine that an employee who (i) has not completed at least two years of service (or a lesser period of time determined by the administrator) since his or her last hire date, (ii) customarily works not more than 20 hours per week (or a lesser period of time determined by the administrator), (iii) customarily works not more than five months per calendar year (or a lesser period of time determined by the administrator), (iv) is a highly compensated employee within the meaning of Section 414(q) of the Code, and (v) is a highly compensated employee within the meaning of Section 414(q) of the Code with compensation above a certain level or is an officer or subject to disclosure requirements under Section 16(a) of the Exchange Act, is or is not eligible to participate in such offering period.

However, an employee may not be granted rights to purchase our shares under our ESPP if such employee:

- immediately after the grant would own shares possessing 5% or more of the total combined voting power or value of all classes of our share capital; or
- holds rights to purchase shares under all of our employee share purchase plans that accrue at a rate that exceeds \$25,000 worth of our shares for each calendar year.

*Offering periods; Purchase periods.* Our ESPP includes a component that allows us to make offerings intended to qualify under Section 423 of the Code and a component that allows us to make offerings not intended to qualify under Section 423 of the Code to designated companies, as described in our ESPP. No offerings have been authorized to date by our board of directors under the ESPP. If our board of directors authorizes an offering period under the ESPP, our board of directors is authorized to establish the duration of offering periods and purchase periods, including the starting and ending dates of offering periods and purchase periods, provided that no offering period may have a duration exceeding 27 months.

*Contributions.* Our ESPP permits participants to purchase our shares through contributions (in the form of payroll deductions or otherwise to the extent permitted by the administrator) of up to 15% of their eligible compensation. A participant may purchase a maximum of shares during a purchase period.

*Exercise of purchase right.* If our board of directors authorizes an offering and purchase period under the ESPP, amounts contributed and accumulated by the participant during any offering period will be used to purchase our shares at the end of each purchase period established by our board of directors. The purchase price of the shares will be 85% of the lower of the fair market value of our shares on the first trading day of each offering period or on the exercise date. Participants may end their participation at any time during an

offering period and will be paid their accrued contributions that have not yet been used to purchase our shares. Participation ends automatically upon termination of employment with us.

*Merger or change in control.* Our ESPP provides that in the event of a merger or change in control, as defined under our ESPP, unless otherwise provided by the administrator in its sole discretion, the ESPP will continue with regard to offering periods that commenced prior to the closing of the proposed transaction and shares will be purchased based on the fair market value of the surviving corporation's stock on each purchase date. The administrator may, in the exercise of its sole discretion in such instances, declare that the ESPP will terminate as of a date fixed by the administrator and give each participant the right to purchase shares under the ESPP prior to such termination.

*Amendment; termination.* The administrator has the authority to amend, suspend, or terminate our ESPP, except that, subject to certain exceptions described in our ESPP, no such action may adversely affect any outstanding rights to purchase our shares under our ESPP. Our ESPP automatically will terminate in 2028, unless we terminate it sooner.

#### **Compensation of directors**

During 2017, members of our board of directors did not receive any retainer fees or other cash or equity-based compensation for their services as a director, other than reimbursements for out-of-pocket expenses incurred in connection with rendering such services. In connection with this offering, we are evaluating our non-employee director compensation program.

## Certain relationships and related party transactions

In addition to the executive officer and director compensation arrangements discussed in the section titled "Executive compensation," we describe below the transactions since January 1, 2017 to which we have been a participant, in which the amount involved in the transaction exceeds or will exceed \$120,000 and in which any of our directors, executive officers or holders of more than 5% of our share capital, or any immediate family member of, or person sharing the household with, any of these individuals, had or will have a direct or indirect material interest.

### Transactions with VCH, L.P. and its affiliates

#### *CPECs*

In connection with VCH, L.P.'s initial acquisition of us in 2011, VCH, L.P. invested \$62.5 million in convertible preferred equity certificates, or CPECs, issued by one of our wholly-owned subsidiaries. The CPECs had both a fixed and variable yield component. The fixed yield component was 1% per annum. The variable yield was dependent upon the income obtained from amounts lent to, and equity investment in, certain subsidiaries. The aggregate interest rate for both 2016 and 2017 was 8.1%. From inception of the investment, our subsidiary elected to accrue the yield in kind rather than pay the yield in cash pursuant to the terms of the CPECs. On July 31, 2017, in connection with the dissolution of the subsidiary, the CPECs were redeemed for \$88.4 million, equal to the nominal amount plus accrued yield of the CPECs through the redemption date, and VCH, L.P. simultaneously contributed the \$88.4 million to our capital. The redemption of the CPECs and capital contribution were non-cash transactions.

#### *Preferred equity*

In 2014, VCH, L.P. purchased 7.0 million redeemable preferred shares issued by one of our wholly-owned subsidiaries for an aggregate of \$7.0 million in cash. As the holder of these redeemable preferred shares, VCH, L.P. was entitled to return of the nominal amount plus an 8% cumulative dividend in priority to any distributions to holders of the shares of this subsidiary. In December 2017, our subsidiary paid VCH, L.P. an aggregate of \$9.3 million to redeem all of the preferred shares, including payment of the 8% accrued dividend through the date of redemption.

#### *Recapitalization and return of capital*

Prior to this offering, 100% of our equity was held by VCH, L.P. Under VCH LPA, Class A Units were issued to Vector Capital in exchange for cash investments, while Class B Units were used exclusively to underlie share-based compensation awards granted to our employees and other service providers. The VCH LPA provides, among other things, that any distributions paid by VCH, L.P. in respect of its equity be paid: (i) first, to holders of Class A Units in the form of an 8% yield on invested capital, (ii) second, to holders of Class A Units as a return of invested capital until all such capital has been returned and (iii) thereafter, ratably among holders of Class A Units and holders of share-based compensation awards, provided, that in the case of share-based compensation awards certain valuation thresholds of the Company assigned to such awards at the time of grant have been exceeded.

On December 21, 2017, we made a cash return of contributed capital to VCH, L.P. in the amount of \$65.5 million, which was returned to Vector Capital and its affiliates under the VCH LPA to reduce unreturned capital and accumulated yield thereunder. As of March 31, 2018, there remained a balance of \$44.9 million of unreturned capital and accumulated yield payable to holders of Class A Units under the VCH LPA, which continues to accrue the 8% yield.

## [Table of Contents](#)

We have determined that as a public company it will be preferable that equity compensation awards for our employees and service providers be issued in respect of our ordinary shares, as opposed to units in VCH, L.P., as this will provide direct alignment of these incentive awards with the interests of our public shareholders. To accomplish this alignment, in connection with this offering we will effect a Recapitalization, which will be comprised of (i) increasing our authorized and outstanding shares and (ii) exchanging the vested VCH, L.P. share-based awards for our shares and unvested VCH, L.P. share-based awards for share-based awards issued by Cambium Networks, in each case on a value-for-value basis, with the value of the awards determined based on the price to the public in this offering after giving effect to the return to holders of Class A Units of the remaining unreturned capital and accumulated yield under the VCH LPA, or the VCH Return of Capital. As part of the Recapitalization, prior to the completion of the share-based award exchange, we will declare a cash dividend payable to VCH, L.P. in an amount equal to the VCH Return of Capital as of the date of this prospectus, which dividend will be paid with a portion of the net proceeds of this offering immediately after the closing. The Recapitalization will have the effect of moving the relative pre-IPO economic ownership interests of our employees and service providers from VCH, L.P. to Cambium Networks Corporation, but will not otherwise affect our legal relationships with employees and service providers, all of whom will continue to be retained by us or our wholly-owned subsidiaries. After completion of the Recapitalization and this offering, we will neither be a party to, nor have any obligations under, the VCH LPA.

Based on the share-based awards outstanding and unreturned capital and accumulated yield due to holders of Class A Units as of March 31, 2018, assuming we sell shares in this offering at \$ \_\_\_\_\_ per share, the midpoint of the range on the cover of this prospectus, we would (i) pay VCH, L.P. a dividend of \$ \_\_\_\_\_ million, (ii) issue \_\_\_\_\_ million shares to former share-based award holders, of which \_\_\_\_\_ million shares would be subject to vesting based on continuing employment with us and (iii) grant restricted share units in receipt of \_\_\_\_\_ shares that would be subject to vesting based on continuing employment with us. See, "Use of proceeds."

### **Management fees**

Pursuant to a management agreement we entered into with an affiliate of VCH, L.P. in 2011, the affiliate charged us management fees of \$0.5 million, \$2.6 million and \$0.1 million in 2016, 2017 and the three months ended March 31, 2018, respectively, for management oversight and services. The amount due to the affiliate at March 31, 2018 was \$5.1 million, which amount will be paid with a portion of the net proceeds from this offering. The management agreement will terminate and be of no further force or effect up the completion of this offering. See, "Use of proceeds."

### **Indemnification agreements**

Prior to the completion of the offering, we intend to enter into new indemnification agreements with all of our executive officers and directors. Each indemnification agreement provides that we will indemnify the director or executive officer, as the case may be, to the fullest extent permitted by law for claims arising in his or her capacity as our director or executive officer, as the case may be, provided that he or she acted in good faith and in a manner that he or she reasonably believed to be in, or not opposed to, our best interests and, with respect to any criminal proceeding, had no reasonable cause to believe that his or her conduct was unlawful. In the event that we do not assume the defense of a claim against a director or such officer, we will be required to advance his or her expenses in connection with his or her defense, provided that he or she undertakes to repay all amounts advanced if it is ultimately determined that he or she is not entitled to be indemnified by us. See "Management—Limitations on director and officer liability and indemnification."

## **Transactions with executive officers and directors**

### ***Employment agreements***

We have entered into agreements containing compensation, termination and change of control provision, among others, with certain of our executive officers as described in the section entitled “Executive compensation—Employment agreements” and “Executive compensation—Potential payments upon termination or change-in-control” above.

### ***Policies and procedures for transactions with related persons***

Related person transactions, which we define as all transactions involving an executive officer, director or a holder of more than 5% of our shares, including any of their immediate family members and any entity owned or controlled by such persons, are reviewed and approved by the board of directors, and following this offering by the audit committee of our board of directors and a majority of disinterested directors on our board.

In any transaction involving a related person, our audit committee and board of directors considers all of the available material facts and circumstances of the transaction, including: the direct and indirect interests of the related persons; in the event the related person is a director (or immediate family member of a director or an entity with which a director is affiliated), the impact that the transaction will have on a director’s independence; the risks, costs and benefits of the transaction to us; and whether any alternative transactions or sources for comparable services or products are available.

After considering all such facts and circumstances, our audit committee and board determine whether approval or ratification of the related person transaction is in our best interests. For example, if our audit committee determines that the proposed terms of a related person transaction are reasonable and at least as favorable as could have been obtained from unrelated third parties, it will recommend to our board of directors that such transaction be approved or ratified. In addition, once we become a public company, if a related person transaction will compromise the independence of one of our directors, our audit committee may recommend that our board of directors reject the transaction if it could affect our ability to comply with securities laws and regulations or the Nasdaq listing requirements.

Each transaction described above was entered into prior to the adoption of our audit committee charter. Accordingly, each was approved by disinterested members of our board of directors after making a determination that the transaction was executed on terms no less favorable than those we could have obtained from unrelated third parties.

The policies and procedures described above for reviewing and approving related person transactions are set forth in our Policy for Approval of Related Party Transactions which will be adopted in connection with this offering. In addition, the charter for our audit committee will provide that one of the committee’s responsibilities is to review and approve in advance any proposed related person transactions.

## Principal shareholders

The following table sets forth certain information with respect to the beneficial ownership of our shares as of \_\_\_\_\_, 2018, referred to in the table below as the "Beneficial Ownership Date", and as adjusted to reflect the sale of our shares offered by us in this offering assuming no exercise of the underwriter's option to purchase additional shares:

- each person, or group of affiliated persons, known by us to beneficially own more than 5% of our shares;
- each of our directors;
- each of our named executive officers; and
- all directors and executive officers as a group.

Beneficial ownership is determined in accordance with the rules of the SEC. In computing the number of shares beneficially owned by a person and the percentage ownership of that person, ordinary shares subject to options or warrants held by that person that are currently exercisable or exercisable within 60 days of the Beneficial Ownership Date are deemed outstanding, but are not deemed outstanding for computing the percentage ownership of any other person. Percentage of beneficial ownership is based on \_\_\_\_\_ shares outstanding as of the Beneficial Ownership Date and \_\_\_\_\_ shares outstanding after this offering. The percentage of beneficial ownership assuming the underwriters exercise their option in full to purchase additional ordinary shares is based on shares outstanding after the offering and exercise of such option.

To our knowledge, except as set forth in the footnotes to this table and subject to applicable community property laws, each person named in the table has sole voting and investment power with respect to the shares set forth opposite such person's name. Except as otherwise indicated, the address of each of the persons in this table is c/o Cambium Networks, Inc., 3800 Golf Road, Suite 360, Rolling Meadows, Illinois 60008.

Name of beneficial owner	Shares beneficially owned	Percentage of shares beneficially owned before the offering	Percentage of shares beneficially owned after the offering
<b>5% Shareholders:</b>			
Vector Cambium Holdings (Cayman), L.P. <sup>(2)</sup>			
<b>Directors and Named Executive Officers:</b>			
Alexander R. Slusky <sup>(2)(3)</sup>			
Robert Amen <sup>(2)(4)</sup>			
Bruce Felt <sup>(5)</sup>			
Atul Bhatnagar <sup>(6)</sup>			
Bryan Sheppeck <sup>(7)</sup>			
Vibhu Vivek <sup>(8)</sup>			
All executive officers and directors as a group <sup>(11)(9)</sup>			

\* Represents beneficial ownership of less than 1%

(1) Shares shown in the table above include shares held in the beneficial owner's name or jointly with others, or in the name of a bank, nominee or trustee for the beneficial owner's account.

(2) Consists of shares held by Vector Cambium Holdings (Cayman), L.P. Vector Capital Partners IV, L.P. is the general partner of Vector Cambium Holdings (Cayman), L.P., and Vector Capital, Ltd. and Vector Capital, L.L.C. are the general partners of Vector Capital Partners IV, L.P. The board of directors of Vector Capital, Ltd. has the exclusive power and authority to vote, or to direct to vote, and to dispose, or to direct the disposition



## Table of Contents

of, the shares held by Vector Cambium Holdings (Cayman), L.P. and therefore holds indirect voting and dispositive power over the shares held by Vector Cambium Holdings (Cayman), L.P. and may be deemed to be the beneficial owner of such shares. The board of directors of Vector Capital, Ltd. consists of Messrs. David Baylor, David Fishman, Robert Amen, Andy Fishman, Matthew Blodgett and James Murray, each of whom disclaims beneficial ownership of such shares in excess of his respective pecuniary interest in such shares. The address of each of the entities identified in this note is c/o Vector Capital, One Market Street, Steuart Tower, 23rd Floor, San Francisco, California 94105.

- (3) Consists of \_\_\_\_\_ shares held of record by VCH, L.P. for which Vector Capital and its affiliates may be deemed to have beneficial ownership. Mr. Slusky is the Chief Investment Officer of Vector Capital and as a result may be deemed to have beneficial ownership over such shares. Mr. Slusky disclaims beneficial ownership of such shares except to the extent of his pecuniary interest therein.
- (4) Consists of \_\_\_\_\_ shares held of record by VCH, L.P. for which Vector Capital and its affiliates may be deemed to have beneficial ownership. Mr. Amen is a Managing Director of Vector Capital and as a result may be deemed to have beneficial ownership over such shares. Mr. Amen disclaims beneficial ownership of such shares except to the extent of his pecuniary interest therein.
- (5) Includes \_\_\_\_\_ shares subject to equity awards to be issued to Mr. Felt in the Recapitalization based on an assumed initial public offering price of \$ \_\_\_\_\_ per share, which is the midpoint of the range set forth on the cover of this prospectus.
- (6) Includes \_\_\_\_\_ shares subject to equity awards to be issued to Mr. Bhatnagar in the Recapitalization based on an assumed initial public offering price of \_\_\_\_\_ per share, which is the midpoint of the range set forth on the cover of this prospectus.
- (7) Includes \_\_\_\_\_ shares subject to equity awards to be issued to Mr. Shepbeck in the Recapitalization based on an assumed initial public offering price of \$ \_\_\_\_\_ per share, which is the midpoint of the range set forth on the cover of this prospectus.
- (8) Includes \_\_\_\_\_ shares subject to equity awards to be issued to Mr. Vivek in the Recapitalization based on an assumed initial public offering price of \$ \_\_\_\_\_ per share, which is the midpoint of the range set forth on the cover of this prospectus.
- (9) Includes \_\_\_\_\_ shares subject to equity awards to be issued to all executive officers and directors in the Recapitalization based on an assumed initial public offering price of \$ \_\_\_\_\_ per share, which is the midpoint of the range set forth on the cover of this prospectus.

## Description of share capital

The following description of our share capital assumes the adoption of our Amended and Restated Memorandum and Articles of Association, which we will file in connection with this offering, and the completion of the Recapitalization, based on an assumed initial public offering price of \$ \_\_\_\_\_ per share, which is the midpoint of the range set forth on the cover of this prospectus. Throughout this description, we summarize the material terms of our share capital as though such Amended and Restated Memorandum and Articles of Association were presently in effect. Our Amended and Restated Memorandum and Articles of Association authorize the issuance of up to \_\_\_\_\_ ordinary shares, \$ \_\_\_\_\_ par value per share. As of \_\_\_\_\_, \_\_\_\_\_ ordinary shares were issued and outstanding and held of record by \_\_\_\_\_ shareholder of which \_\_\_\_\_ shares were subject to vesting based on continuing employment with us. In addition, \_\_\_\_\_ ordinary shares were subject to restricted share.

We are incorporated as an exempted company with limited liability under Cayman Islands law and our affairs are governed by the provisions of our Amended and Restated Memorandum and Articles of Association, as amended and restated from time to time, and by the provisions of the Companies Law (2018 Revision) of the Cayman Islands, or the Companies Law. A Cayman Islands company qualifies for exempted status if its operations will be conducted mainly outside of the Cayman Islands. Exempted companies are exempted from complying with certain provisions of the Companies Law. An exempted company is not required to obtain prior approval for registration or to hold an annual general meeting, and the annual return that must be filed with the Registrar of Companies in the Cayman Islands is considerably more simple than for non-exempted Cayman Islands companies. Names of shareholders are not required to be filed with the Registrar of Companies in the Cayman Islands. While there are currently no forms of direct taxation, withholding or capital gains tax in the Cayman Islands, an exempted company is entitled to apply for a tax exemption certificate from the Government of the Cayman Islands, which provides written confirmation that, among other things, should the laws of the Cayman Islands change, the company will not be subject to taxes for the period during which the certificate is valid (usually 20 years). See "Taxation—Cayman Islands tax considerations." The following is a summary of some of the more important terms of our share capital that we expect will become effective on the consummation of this offering. For a complete description, you should refer to our Amended and Restated Memorandum and Articles of Association, which are filed as an exhibit to the registration statement of which this prospectus forms a part, and the applicable provisions of the Companies Law.

### Ordinary shares

#### *General*

All of our issued and outstanding ordinary shares are fully paid and non-assessable. Legal title to the issued ordinary shares is recorded in registered form in our register of members. Our shareholders may freely hold and vote their ordinary shares.

#### *Dividends*

The holders of our ordinary shares are entitled to such dividends as may be declared by our board of directors subject to the Companies Law. Dividends may be paid only out of profits, which include net earnings and retained earnings undistributed in prior years, out of share premium, a concept analogous to paid-in surplus in the United States and distributable reserves, subject to a statutory solvency test.

#### *Voting rights*

Upon completion of this offering, our outstanding share capital will consist of ordinary shares. Each shareholder is entitled to one vote for each ordinary share on all matters upon which the ordinary shares are entitled to vote, including the election of directors. Voting at any shareholders' meeting is by way of a poll.

## Table of Contents

A quorum required for a general meeting of shareholders consists of one or more holders of ordinary shares present in person or by proxy (or, if a corporation or other non-natural person, by its duly authorized representative) together holding (or representing by proxy) not less than a majority of the total voting power of all ordinary shares outstanding and entitled to vote. General meetings of our shareholders are held annually and may be convened by our board of directors on its own initiative. Extraordinary meetings of our shareholders may be called at any time at the direction of the board of directors or the chairman of the board of directors or by a vote of an aggregate of 20% of our ordinary shares held by not more than five shareholders; however, so long as Vector owns at least 25% of our outstanding ordinary shares, extraordinary meetings of our shareholders will also be called by the board of directors at the request of Vector. Advance notice to shareholders of at least 14 calendar days is required for the convening of any annual general meeting or other shareholders' meetings.

An ordinary resolution to be passed by the shareholders requires the affirmative vote of a simple majority of the votes cast by those shareholders entitled to vote who are present in person or by proxy at a general meeting, while a special resolution requires the affirmative vote of no less than 66 <sup>2</sup>/<sub>3</sub>% of the votes cast by those shareholders entitled to vote who are present in person or by proxy at a general meeting. Under the Companies Law, certain matters must be approved by special resolution of the shareholders, including alteration of the memorandum or articles of association, reduction of share capital, change of name, voluntary winding up the company, a merger with another company and transferring the company to a new jurisdiction.

### ***Winding up***

On the winding up of our company, if the assets available for distribution amongst our shareholders shall be more than sufficient to repay the whole of the share capital at the commencement of the winding up, the surplus shall be distributed amongst our shareholders in proportion to the par value of the shares held by them at the commencement of the winding up, subject to a deduction from those shares in respect of which there are monies due, of all monies payable to our company for unpaid calls or otherwise. If our assets available for distribution are insufficient to repay all of the paid-up capital, the assets will be distributed so that the losses are borne by our shareholders in proportion to the par value of the shares held by them.

The liquidator may, with the sanction of a special resolution of our shareholders, divide amongst the shareholders in specie or in kind the whole or any part of the assets of our company, and may for such purpose set such value as the liquidator deems fair upon any property to be divided as aforesaid and may determine how the division shall be carried out as between our shareholders or different classes of shareholders.

### ***Redemption, repurchase and surrender of ordinary shares***

We may issue shares on terms that such shares are subject to redemption, at our option or at the option of the holders thereof, on such terms and in such manner as may be determined by our board of directors before the issue of such shares. We may also repurchase any of our shares provided that the manner and terms of such purchase have been approved by our board of directors or by ordinary resolution of our shareholders (but no repurchase may be made contrary to the terms or manner recommended by our directors), or as otherwise authorized by our Amended and Restated Memorandum and Articles of Association. Under the Companies Law, the redemption or repurchase of any share may be paid out of our profits or out of the proceeds of a new issue of shares made for the purpose of such redemption or repurchase, or out of capital (including share premium account and capital redemption reserve) if we can, immediately following such payment, pay our debts as they fall due in the ordinary course of business. In addition, under the Companies Law no such share may be redeemed or repurchased (i) unless it is fully paid up, (ii) if such redemption or repurchase would result in there being no shares outstanding or (iii) if the company has commenced winding up or liquidation. In addition, we may accept the surrender by any shareholder of any fully paid share for no consideration.

### ***Proceedings of board of directors***

Our business is managed and conducted by our board of directors. The quorum necessary for board meetings may be fixed by the board and, unless so fixed at another number, will be a majority of the directors then in office.

The board may from time to time at its discretion exercise all powers of our company to raise capital or borrow money, to mortgage or charge all or any part of the undertaking, property and assets (present and future) and uncalled capital of our company and issue debentures, bonds and other securities of our company, whether outright or as collateral security for any debt, liability or obligation of our company or of any third party.

### ***Changes in capital***

Our shareholders may from time to time by ordinary resolution:

- increase our share capital by such sum, to be divided into shares of such classes and amount, as the resolution shall prescribe;
- consolidate and divide all or any of our share capital into shares of a larger amount than our existing shares;
- sub-divide our existing shares, or any of them, into shares of a smaller amount; or
- cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person and diminish the amount of our share capital by the amount of the shares so cancelled.

Our shareholders may by special resolution, subject to confirmation by the Grand Court of the Cayman Islands on an application by our company for an order confirming such reduction, reduce our share capital or any capital redemption reserve in any manner permitted by law.

### ***Inspection of books and records***

Holders of our ordinary shares will have no general right under the Companies Law to inspect or obtain copies of our register of members or our corporate records. However, we will provide our shareholders with annual audited financial statements. See "Where you can find more information."

### ***Register of members***

Under Cayman Islands law, we must keep a register of members and there should be entered therein:

- the names and addresses of the shareholders, a statement of the shares held by each shareholder, and of the amount paid or agreed to be considered as paid, on the shares of each shareholder;
- the date on which the name of any person was entered on the register as a shareholder; and
- the date on which any person ceased to be a shareholder.

In accordance with Section 48 of the Companies Law, the register of members is prima facie evidence of the matters set out therein (i.e., the register of members will raise a presumption of fact on the matters referred to above unless rebutted). Therefore, a person is deemed as a matter of Cayman Islands law to have legal title to the shares set against its name in the register of members once such shareholder has been entered in the register of members. Entries of any change in the shares and member information, including allotment, transfer, consolidation, subdivision or cancellation, need to be made in the register of members as and when completed or notified. The register of members of our Company is not required to be maintained in the Cayman Islands and our directors will maintain one register of members, at the office of .

## Undesignated preferred shares

Pursuant to our Amended and Restated Memorandum and Articles of Association, our board of directors has the authority, without further action by the shareholders, to issue up to \_\_\_\_\_ preferred shares in one or more series and to designate the price, rights, preferences, privileges and restrictions of such preferred shares without any further vote or action by our shareholders, any or all of which may be greater than the rights of the ordinary shares.

## Exempted company

We are an exempted company with limited liability duly incorporated and validly existing under the Companies Law. The Companies Law distinguishes between ordinary resident companies and exempted companies. Any company that is registered in the Cayman Islands but conducts business mainly outside of the Cayman Islands may apply to be registered as an exempted company. The requirements for an exempted company are essentially the same as for an ordinary company, except that an exempted company:

- is not required to file an annual return of its shareholders with the Registrar of Companies of the Cayman Islands;
- is not required to open its register of members for inspection;
- is not required to hold an annual general meeting;
- may obtain an undertaking against the imposition of any future taxation in the Cayman Islands (such undertakings are usually given for 20 or 30 years in the first instance);
- may register by way of continuation in another jurisdiction and be deregistered in the Cayman Islands;
- may register as a limited duration company; and
- may register as a segregated portfolio company.

“Limited liability” means that the liability of each shareholder is limited to the amount unpaid by the shareholder on that shareholder’s shares of the company (except in exceptional circumstances, such as involving fraud, the establishment of an agency relationship or an illegal or improper purpose or other circumstances in which a court may be prepared to pierce or lift the corporate veil). We may follow home country practice for certain corporate governance practices after the closing of this offering which may differ from the Corporate Governance Rules of Nasdaq. The listing requirements of Nasdaq require that every listed company hold an annual general meeting of shareholders. In addition, our directors may call extraordinary general meetings of our shareholders pursuant to the procedures set forth in our Amended and Restated Memorandum and Articles of Association.

## Anti-takeover provisions of our Amended and Restated Memorandum and Articles of Association

Some provisions of our Amended and Restated Memorandum and Articles of Association may discourage, delay or prevent a change of control of our company or management that shareholders might otherwise view as favorable and are intended to enhance the likelihood of continuity and stability in the composition of our board of directors and to discourage certain types of transactions that may involve an actual or threatened acquisition of our company. These provisions are intended to avoid costly takeover battles, reduce our vulnerability to a hostile change in control or other unsolicited acquisition proposal and enhance the ability of our board of directors to maximize shareholder value in connection with any unsolicited offer to acquire us. However, these

## [Table of Contents](#)

provisions may have the effect of delaying, deterring or preventing a merger or acquisition of our company by means of a tender offer, a proxy contest or other takeover attempt that a shareholder might consider in its best interest, including attempts that might result in a premium over the prevailing market price for our ordinary shares.

### ***Classified board of directors***

Our Amended and Restated Memorandum and Articles of Association provide that our board of directors is classified into three classes of directors with staggered three year terms. A third party may be discouraged from making a tender offer or otherwise attempting to obtain control of us as it is more difficult and time consuming for shareholders to replace a majority of the directors on a classified board of directors. See "Management—Board of directors."

### ***Breaches of fiduciary duty***

To the maximum extent permitted under Cayman Islands law, our Amended and Restated Memorandum and Articles of Association will indemnify our directors against any personal liability of our directors for breaches of fiduciary duty.

### ***Removal of directors***

Our Amended and Restated Memorandum and Articles of Association provides that directors may be removed only for cause upon the affirmative vote of 75% of our outstanding ordinary shares.

### ***Vacancies***

Our Amended and Restated Memorandum and Articles of Association also provides that any newly created directorship on the board of directors that results from an increase in the number of directors and any vacancies on our board of directors will be filled by the affirmative vote of a majority of the remaining directors, even if less than a quorum or by a sole remaining director. Our Amended and Restated Memorandum and Articles of Association provides that the board of directors may increase the number of directors by the affirmative vote of a majority of the directors.

### ***Board quorum***

Our Amended and Restated Memorandum and Articles of Association provides that at any meeting of the board of directors, a majority of the total number of directors then in office constitutes a quorum for all purposes.

### ***Shareholder action by written consent***

Our Amended and Restated Memorandum and Articles of Association provide that any action required to be taken at any annual or extraordinary meeting of the shareholders may be taken without a meeting, without prior notice and without a vote if, in the case of an ordinary resolution, a consent or consents in writing, setting forth the action so taken, is signed by the holders of outstanding ordinary shares having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all of our outstanding ordinary shares were present and voted, or in the case of a special resolution by all holders of ordinary shares having the right to vote, so long as Vector Capital collectively owns at least a majority of our outstanding ordinary shares. Our Amended and Restated Memorandum and Articles of Association will preclude shareholder action by written consent at any time when Vector Capital collectively owns less than a majority of our outstanding ordinary shares, provided that the holders of ordinary shares may always act by a unanimous written resolution.

### ***General and extraordinary shareholder meetings***

As a Cayman Islands exempted company, we are not obliged by the Companies Law to call shareholders' annual general meetings. We may (but are not obliged to) in each year hold a general meeting as our annual general

meeting in which case we shall specify the meeting as such in the notices calling it, and the annual general meeting shall be held at such time and place as may be determined by our directors. A quorum required for a general meeting of shareholders consists of one or more holders of ordinary shares present in person or by proxy (or, if a corporation or other non-natural person, by its duly authorized representative) together holding (or representing by proxy) not less than a majority of the total voting power of all ordinary shares outstanding and entitled to vote.

Extraordinary meetings of our shareholders may be called at any time at the direction of the board of directors or the chairman of the board of directors or by a vote of an aggregate of 20% of our ordinary shares held by not more than five shareholders; however, so long as Vector owns at least 25% of our outstanding ordinary shares, extraordinary meetings of our shareholders will also be called by the board of directors at the request of Vector. Advance notice to shareholders of at least 14 calendar days is required for the convening of any annual general meeting or other shareholders' meetings.

### ***Supermajority provisions***

Our Amended and Restated Memorandum and Articles of Association provides that the affirmative vote of at least two-thirds of our outstanding ordinary shares attending and voting at a general meeting or a unanimous written resolution is required to amend certain provisions of our Amended and Restated Memorandum and Articles of Association related principally to reductions in share capital, changing our name, certain matters pertaining to bankruptcy or winding up of the Company, and merger or reincorporation of the Company among others.

The combination of the foregoing provisions will make it more difficult for our existing shareholders to replace our board of directors as well as for another party to obtain control of us by replacing our board of directors. Because our board of directors has the power to retain and discharge our officers, these provisions could also make it more difficult for existing shareholders or another party to effect a change in management. However, under Cayman Islands law, our directors may only exercise the rights and powers granted to them under our Amended and Restated Memorandum and Articles of Association for a proper purpose and for what they believe in good faith to be in the best interests of our company.

### **Differences in corporate law**

The Companies Law is derived, to a large extent, from the older Companies Acts of England, but does not follow recent statutory enactments in England and accordingly there are significant differences between the Companies Law and the current Companies Act of England. In addition, the Companies Law differs from laws applicable to U.S. corporations and their shareholders. Set forth below is a summary of certain significant differences between the provisions of the Companies Law applicable to us and the laws applicable to companies incorporated in the State of Delaware.

### ***Mergers and similar arrangements***

The Companies Law permits mergers and consolidations between Cayman Islands companies and between Cayman Islands companies and non-Cayman Islands companies. For these purposes, (i) "merger" means the merging of two or more constituent companies and the vesting of their undertaking, property and liabilities in one of such companies as the surviving company, and (ii) a "consolidation" means the combination of two or more constituent companies into a consolidated company and the vesting of the undertaking, property and liabilities of such companies to the consolidated company. In order to effect such a merger or consolidation, the directors of each constituent company must approve a written plan of merger or consolidation, which must then be authorized by (i) a special resolution of the shareholders of each constituent company, and (ii) such

## [Table of Contents](#)

other authorization, if any, as may be specified in such constituent company's articles of association. The written plan of merger or consolidation must be filed with the Registrar of Companies of the Cayman Islands together with a declaration as to the solvency of the consolidated or surviving company, a declaration as to the assets and liabilities of each constituent company and an undertaking that a copy of the certificate of merger or consolidation will be given to the members and creditors of each constituent company and that notification of the merger or consolidation will be published in the Cayman Islands Gazette. Court approval is not required for a merger or consolidation which is effected in compliance with these statutory procedures.

A merger between a Cayman parent company and its Cayman subsidiary or subsidiaries does not require authorization by a resolution of shareholders. For this purpose, a subsidiary is a company of which at least 90% of the issued shares entitled to vote are owned by the parent company.

The consent of each holder of a fixed or floating security interest of a constituent company is required unless this requirement is waived by a court in the Cayman Islands.

Except in certain limited circumstances, a shareholder of a Cayman Islands constituent company who dissents from the merger or consolidation is entitled to payment of the fair value of his or her shares (which, if not agreed between the parties, will be determined by the Cayman Islands court) upon dissenting from a merger or consolidation, provided the dissenting shareholder complies strictly with the procedures set out in the Companies Law. The exercise of such dissenter rights will preclude the exercise by the dissenting shareholder of any other rights to which he or she might otherwise be entitled by virtue of holding shares, except for the right to seek relief on the grounds that the merger or consolidation is void or unlawful.

Separately from the statutory provisions relating to mergers and consolidations, the Companies Law also contains statutory provisions that facilitate the reconstruction and/or amalgamation of companies by way of schemes of arrangement. A scheme of arrangement may be proposed between a company and its creditors or any class of them, or between the company and its shareholders or any class of them. A successful scheme of arrangement must be approved by a majority in number of each class of shareholders or creditors with whom the arrangement is to be made, and who must, in addition, represent three-fourths in value of each such class of shareholders or creditors, as the case may be, that are present and voting either in person or by proxy at a meeting, or meetings, convened for that purpose. The convening of the meetings and the subsequent sanctioning of any scheme of arrangement must be approved by the Grand Court of the Cayman Islands. While a dissenting shareholder has the right to express to the Grand Court the view that the transaction ought not to be approved, the Grand Court can be expected to approve the arrangement if it determines that:

- the statutory provisions as to the required majority vote have been met;
- the shareholders have been fairly represented at the meeting in question and the statutory majority are acting bona fide without coercion of the minority to promote interests adverse to those of the class;
- the scheme of arrangement is such that may be reasonably approved by an intelligent and honest man of that class acting in respect of his interest; and
- the scheme of arrangement is not one that would more properly be sanctioned under some other provision of the Companies Law.

The Companies Law also contains a statutory power of compulsory acquisition which may facilitate the "squeeze out" of dissentient minority shareholder upon a tender offer. When a tender offer is made and accepted by holders of 90% in the number of the shares affected within four months of the offer being made, the offeror may, within a two-month period commencing on the expiration of such four month period, require the holders of the remaining shares to transfer such shares on the terms of the offer. An objection can be made



## [Table of Contents](#)

to the Grand Court of the Cayman Islands but this is unlikely to succeed in the case of an offer which has been so approved unless there is evidence of fraud, bad faith or collusion.

If an arrangement and reconstruction is thus approved, or if a tender offer is made and accepted, a dissenting shareholder would have no rights comparable to appraisal rights, which would otherwise ordinarily be available to dissenting shareholders of Delaware corporations, providing rights to receive payment in cash for the judicially determined value of the shares.

Further, transactions similar to a merger, reconstruction and/or an amalgamation may in some circumstances be achieved through other means to these statutory provisions, such as a share capital exchange, asset acquisition or control, through contractual arrangements, of an operating business.

### **Shareholders' suits**

In principle, we will normally be the proper plaintiff to sue for a wrong done to us as a company and as a general rule, a derivative action may not be brought by a minority shareholder. However, based on English law authorities, which would in all likelihood be of persuasive authority in the Cayman Islands, the Cayman Islands court can be expected to follow and apply the common law principles (namely the rule in *Foss v. Harbottle* and the exceptions thereto) so that a non-controlling shareholder may be permitted to commence a class action against or derivative actions in the name of the company to challenge:

- an act which is illegal or *ultra vires* with respect to the company and is therefore incapable of ratification by the shareholders;
- an act which, although not *ultra vires*, requires authorization by a qualified (or special) majority (that is, more than a simple majority) which has not been obtained; and
- an act which constitutes a "fraud on the minority" where the wrongdoers are themselves in control of the company.

### **Protection of minority shareholders**

In the case of a company (not being a bank) having its share capital divided into shares, the Grand Court of the Cayman Islands may, on the application of members holding not less than one fifth of the shares of the company in issue, appoint an inspector to examine the affairs of the company and to report thereon in such manner as the Grand Court of the Cayman Islands shall direct.

Any of our shareholders may petition the Grand Court of the Cayman Islands which may make a winding up order if the Grand Court of the Cayman Islands is of the opinion that it is just and equitable that we should be wound up or, as an alternative to a winding up order, (a) an order regulating the conduct of our affairs in the future, (b) an order requiring us to refrain from doing or continuing an act complained of by the shareholder petitioner or to do an act which the shareholder petitioner has complained we have omitted to do, (c) an order authorizing civil proceedings to be brought in our name and on our behalf by the shareholder petitioner on such terms as the Grand Court of

the Cayman Islands may direct, or (d) an order providing for the purchase of the shares of any of our shareholders by other shareholders or us and, in the case of a purchase by us, a reduction of our capital accordingly.

Generally, claims against us must be based on the general laws of contract or tort applicable in the Cayman Islands or individual rights as shareholders as established by our Amended and Restated Memorandum and Articles of Association.

***Indemnification of directors and executive officers and limitation of liability***

See “Executive compensation—Indemnification and insurance.”

***Anti-takeover provisions in our articles***

Some provisions of our Amended and Restated Memorandum and Articles of Association may discourage, delay or prevent a change in control of our company or management that shareholders may consider favorable, including provisions that authorize our board of directors to issue preferred shares in one or more series and to designate the price, rights, preferences, privileges and restrictions of such preferred shares without any further vote or action by our shareholders.

However, under Cayman Islands law, our directors may only exercise the rights and powers granted to them under our Amended and Restated Memorandum and Articles of Association, as amended and restated from time to time, for a proper purpose and in what they believe in good faith to be in the best interests of our company.

***Directors’ fiduciary duties***

Under Delaware corporate law, a director of a Delaware corporation has a fiduciary duty to the corporation and its shareholders. This duty has two components: the duty of care and the duty of loyalty. The duty of care requires that a director act in good faith, with the care that an ordinarily prudent person would exercise under similar circumstances. Under this duty, a director must inform himself of, and disclose to shareholders, all material information reasonably available regarding a significant transaction. The duty of loyalty requires that a director act in a manner he or she reasonably believes to be in the best interests of the corporation. He or she must not use his or her corporate position for personal gain or advantage. This duty prohibits self-dealing by a director and mandates that the best interests of the corporation and its shareholders take precedence over any interest possessed by a director, officer or controlling shareholder and not shared by the shareholders generally. In general, actions of a director are presumed to have been made on an informed basis, in good faith and in the honest belief that the action taken was in the best interests of the corporation. However, this presumption may be rebutted by evidence of a breach of one of the fiduciary duties. Should such evidence be presented concerning a transaction by a director, a director must prove the procedural fairness of the transaction, and that the transaction was of fair value to the corporation.

As a matter of Cayman law, a director of a Cayman Islands company is in the position of a fiduciary with respect to the company and therefore he owes the following duties to the company—a duty to act in good faith (bona fide) in the best interests of the company, a duty not to make a profit based on his or her position as director (unless the company permits him to do so), a duty not to put himself in a position where the interests of the company conflict with his or her personal interest or his or her duty to a third party, and a duty to exercise powers for the purpose for which such powers were intended. A director of a Cayman Islands company owes to the company a duty to act with skill and care. It was previously considered that a director need not exhibit in the performance of his or her duties a greater degree of skill than may reasonably be expected from a person of his or her knowledge and experience. However, English and Commonwealth courts have moved towards an objective standard with regard to the required skill and care and these authorities are likely to be followed in the Cayman Islands.

***Shareholder proposals***

Under the Delaware General Corporation Law, a shareholder has the right to put any proposal before the annual meeting of shareholders, provided it complies with the notice provisions in the governing documents. The Delaware General Corporation Law does not provide shareholders an express right to put any proposal

## [Table of Contents](#)

before the annual meeting of shareholders, but in keeping with common law, Delaware corporations generally afford shareholders an opportunity to make proposals and nominations provided that they comply with the notice provisions in the certificate of incorporation or bylaws. A special meeting may be called by the board of directors or any other person authorized to do so in the governing documents, but shareholders may be precluded from calling special meetings.

The Companies Law provides shareholders with only limited rights to requisition a general meeting, and does not provide shareholders with any right to put any proposal before a general meeting. However, these rights may be provided in a company's articles of association.

Upon completion of this offering, Vector Capital will beneficially own a majority of our outstanding shares. Our Amended and Restated Memorandum and Articles of Association provides that Vector Capital will have the ability to appoint a number of our directors according to their ownership of our outstanding ordinary shares as follows: (i) 50% or more of our outstanding ordinary shares, then a number of directors proportionate to such share ownership, (ii) between 25% and 50% of our outstanding ordinary shares, then two directors, (iii) between 5% and 25% of our outstanding ordinary shares, then one director and (iv) less than 5% of our outstanding ordinary share, then Vector Capital no longer has the right to appoint any directors.

In addition, our Amended and Restated Memorandum and Articles of Association will establish advance notice procedures for shareholder proposals and nomination of candidates for election as directors other than nominations made by or at the direction of our board of directors or a committee of our board of directors. Shareholders may consider only those proposals or nominations specified in the notice of meeting or brought before the meeting by or at the direction of our board of directors or by a shareholder who was a shareholder of record on the record date for the meeting, who is entitled to vote at the meeting and who has given to the Company secretary timely written notice, in proper form, of the shareholder's intention to bring that business before the meeting. To be timely, except in certain limited circumstances, notice for shareholder proposals must be delivered to the Company not later than the close of business on the 90th day nor earlier than the close of business on the 120th day in advance of the anniversary of the previous year's annual general meeting. For the nomination of any person or persons for election to the board of directors, a shareholder's notice to the Company must set forth with respect to each nominee (i) name, age, business address and residence address; (ii) principal occupation or employment; (iii) number of shares of the Company which are owned of record and beneficially (if any); (iv) such other information concerning each such nominee as would be required to be disclosed in a proxy statement soliciting proxies for the election of such nominee as a director in an election contest (even if an election contest is not involved) or that is otherwise required to be disclosed, under proxy rules; and (v) the consent of the nominee to being named in the proxy statement as a nominee and to serving as a director if elected. Such notice must also state, with respect to the proposing shareholder and the beneficial owner, if any, on whose behalf the nomination is being made, their name and address, the class and number of shares of the Company which are owned, and descriptions of any agreement, arrangement or understanding between or among such persons, any of their affiliates or associates, and any others (including their names) acting in concert with any of the foregoing, with respect to such nomination, the shares of the Company (including any derivative or short positions, profit interests, options, hedging transactions, and borrowed or loaned shares), the effect or intent of which is to mitigate loss to, manage risk or benefit of share price changes for, or increase or decrease the voting power of the proposing shareholder or any of its affiliates or associates. Additionally, a proposing shareholder must make certain representations, including that it intends to deliver a proxy statement and/or form of proxy to holders of at least the percentage of the Company's outstanding shares required to approve the nomination and/or otherwise to solicit proxies from shareholders in support of the nomination. The Company may require any proposed nominee to furnish such other information as it may reasonably require to determine the eligibility of such proposed nominee to serve as an independent director of the Company or that could be material to a reasonable shareholder's understanding of the independence, or

lack thereof, of such nominee. For all business other than director nominations, a proposing shareholder's notice to the Company shall set forth as to each matter proposed: (i) a brief description of the business desired to be brought before the annual general meeting and the reasons for conducting such business at the annual general meeting; (ii) any other information relating to such shareholder and beneficial owner, if any, on whose behalf the proposal is being made, required to be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies for the proposal and pursuant to and in accordance with proxy rules; and (iii) the same information with respect to the proposing shareholder as is required in connection with director nominations.

#### ***Cumulative voting***

Under the Delaware General Corporation Law, cumulative voting for elections of directors is not permitted unless the corporation's certificate of incorporation specifically provides for it. Cumulative voting potentially facilitates the representation of minority shareholders on a board of directors since it permits the minority shareholder to cast all the votes to which the shareholder is entitled on a single director, which increases the shareholder's voting power with respect to electing such director. Cayman Islands law does not prohibit cumulative voting, but our Amended and Restated Memorandum and Articles of Association do not provide for cumulative voting and instead provides for plurality voting. As a result, our shareholders are not afforded any less protections or rights on this issue than shareholders of a Delaware corporation.

#### ***Removal of directors***

Under the Delaware General Corporation Law, a director of a corporation with a classified board may be removed only for cause with the approval of a majority of the outstanding shares entitled to vote, unless the certificate of incorporation provides otherwise. Under Cayman Islands law, no such rules apply and directors may be removed in accordance with the terms set out in the company's articles of association. Under our Amended and Restated Memorandum and Articles of Association, directors may be removed for cause by resolution adopted by holders of 75% of our outstanding ordinary shares.

#### ***Transactions with interested shareholders***

The Delaware General Corporation Law contains a business combination statute applicable to Delaware public corporations whereby, unless the corporation has specifically elected not to be governed by such statute by amendment to its certificate of incorporation or bylaws that is approved by its shareholders, it is prohibited from engaging in certain business combinations with an "interested shareholder" for three years following the date that such person becomes an interested shareholder. An interested shareholder generally is a person or a group who or which owns or owned 15% or more of the target's outstanding voting stock or who or which is an affiliate or associate of the corporation and owned 15% or more of the corporation's outstanding voting stock within the past three years. This has the effect of limiting the ability of a potential acquirer to make a two-tiered bid for the target in which all shareholders would not be treated equally. The statute does not apply if, among other things, prior to the date on which such shareholder becomes an interested shareholder, the board of directors approves either the business combination or the transaction which resulted in the person becoming an interested shareholder. This encourages any potential acquirer of a Delaware corporation to negotiate the terms of any acquisition transaction with the target's board of directors.

Cayman Islands law has no comparable statute. As a result, we cannot avail ourselves of the types of protections afforded by the Delaware business combination statute. However, although Cayman Islands law does not regulate transactions between a company and its significant shareholders, the fiduciary duties owed by our directors do require that such transactions must be entered into bona fide in the best interests of the company and for a proper corporate purpose and not with the effect of constituting a fraud on the minority shareholders. We have adopted a Policy for Approval of Related Party Transactions which is described in

“Certain relationships and related party transactions— Policies and procedures for transactions with related persons.”

***Dissolution; winding up***

Under the Delaware General Corporation Law, unless the board of directors approves the proposal to dissolve, dissolution must be approved by shareholders holding 100% of the total voting power of the corporation. Only if the dissolution is initiated by the board of directors may it be approved by a simple majority of the corporation's outstanding shares. Delaware law allows a Delaware corporation to include in its certificate of incorporation a supermajority voting requirement in connection with dissolutions initiated by the board of directors.

Under the Companies Law, our company may be wound up by either a special resolution of our members or, if our company is unable to pay its debts as they fall due, by an ordinary resolution of our members. In addition, a company may be wound up by an order of the courts of the Cayman Islands. The court has authority to order winding up in a number of specified circumstances including where it is, in the opinion of the court, just and equitable to do so.

***Variation of rights of shares***

Under the Delaware General Corporation Law, a corporation may vary the rights of a class of shares with the approval of a majority of the outstanding shares of such class, unless the certificate of incorporation provides otherwise.

***Amendment of governing documents***

Under the Delaware General Corporation Law, a corporation's certificate of incorporation may be amended only if adopted and declared advisable by the board of directors and approved by a majority of the outstanding shares entitled to vote, and the bylaws may be amended with the approval of a majority of the outstanding shares entitled to vote and may, if so provided in the certificate of incorporation, also be amended by the board of directors. Under the Companies Law and our Amended and Restated Memorandum and Articles of Association, our articles may only be amended by special resolution of our shareholders.

***Rights of non-resident or foreign shareholders***

There are no limitations imposed by our Amended and Restated Memorandum and Articles of Association on the rights of non-resident or foreign shareholders to hold or exercise voting rights on our shares. In addition, there are no provisions in our Amended and Restated Memorandum and Articles of Association governing the ownership threshold above which shareholder ownership must be disclosed.

***Directors' power to issue shares***

Our board of directors is empowered to issue or allot shares or grant options, restricted shares, restricted share units, share appreciation rights, dividend equivalent rights, warrants and analogous equity-based rights with or without preferred, deferred, qualified or other special rights or restrictions. In particular, our board of directors has the authority, without further action by the shareholders, to issue all or any part of our capital and to fix the designations, powers, preferences, privileges, and relative participating, optional or special rights and the qualifications, limitations or restrictions therefrom, including dividend rights, conversion rights, voting rights, terms of redemption and liquidation preferences, any or all of which may be greater than the rights of our ordinary shares. Our board of directors, without shareholder approval, may issue preferred shares with voting, conversion or other rights that could adversely affect the voting power and other rights of holders of our ordinary shares. Subject to the directors' duty of acting in the best interest of our company, preferred shares can be issued

quickly with terms calculated to delay or prevent a change in control of us or make removal of management more difficult. Additionally, the issuance of preferred shares may have the effect of decreasing the market price of the ordinary shares, and may adversely affect the voting and other rights of the holders of ordinary shares.

## **Shareholder agreement**

We entered into the shareholders agreement dated \_\_\_\_\_ by and among us, our subsidiaries, VCH, L.P. and Vector Capital pursuant to which Vector Capital is entitled to nominate members of our board of directors as follows: so long as affiliates of Vector Capital own, in the aggregate, (i) more than 5% but up to 25% of our outstanding ordinary shares, Vector Capital will be entitled to nominate one director, (ii) more than 25% but up to 50% of our ordinary shares, Vector Capital will be entitled to nominate two directors or (iii) more than 50% of our ordinary shares, Vector Capital will be entitled to a number of directors proportionate to their voting interest.

## **Registration rights**

Pursuant to the shareholders agreement, we have granted certain registration rights to Vector Capital. Set forth below is a description of the registration rights granted under the shareholders agreement.

### ***Demand registration rights***

At any time or from time to time after six (6) months following the date of closing of an initial public offering, including this offering, Vector Capital may request in writing that we effect a registration on Nasdaq; provided that we shall not be obligated to effect such requested registration if (x) it is for a public offering of ordinary shares reasonably anticipated to have an aggregate offering price to the public of less than \$10,000,000 or (y) we then meet the eligibility requirements applicable to use the Form S-3 in connection with such registration and are able to effect such requested registration. We shall be obligated to effect no more than two registrations pursuant to the demand registration rights that have been declared and ordered effective.

### ***Form S-3 registration rights***

Holders of our registrable securities have the right to request that we file a registration statement on Form S-3 when we are qualified for registration on such form. We shall be obligated to effect no more than two registrations that have been declared and ordered effective within any 12-month period.

### ***Piggyback registration rights***

If we propose to file a registration statement for a public offering of our securities, subject to certain exceptions, we shall notify all holders of registrable securities and afford them an opportunity to include in the registration all or any part of their registrable securities that each such holder has requested to be registered.

### ***Expenses of registration***

Subject to certain exceptions such as withdrawal of the registration by the securityholders, we will pay all expenses (other than underwriting discounts and commissions) in connection with the demand registration, Form S-3 registration and piggyback registration including, among others, all registration and filing fees, printers' and accounting fees, fees and disbursements of counsel for us, reasonable fees and disbursements of a single special counsel for the holders.

### ***Termination of registration rights***

The registration rights discussed above shall terminate on the earlier of (i) the date that is 7 years from the date of closing of a qualified initial public offering and (ii) with respect to any securityholder, the date on which such holder may sell all of its registrable securities under Rule 144 of the Securities Act in any 90-day period.

### ***Limitations on subsequent registration right***

From and after the date of the shareholders agreement, we shall not, without the prior written consent of holders of at least two-thirds of outstanding shares on issue, enter into any agreement with any holder or prospective holder of any equity securities of us that would allow such holder or prospective holder (i) to include such equity securities in any registration, unless under the terms of such agreement such holder or prospective holder may include such equity securities in any such registration only to the extent that the inclusion of such equity securities will not reduce the amount of the registrable securities of the holders that are included, (ii) to demand registration of their securities, or (iii) cause us to include such equity securities in any registration discussed above on a basis more favorable to such holder or prospective holder than is provided to the holders thereunder.

### **Exclusive forum**

Our Amended and Restated Memorandum and Articles of Association will provide that the courts located within the Cayman Islands will be the sole and exclusive forum for any action or proceeding brought by a shareholder on our behalf, any action asserting a claim for breach of a fiduciary duty owed by any director, officer, employee or agent to us or our shareholders, any action asserting a claim or dispute arising pursuant to any provision of the Companies Law, our Amended and Restated Memorandum and Articles of Association or any action asserting a claim governed by the internal affairs doctrine or otherwise relating to the internal affairs of the Company, including without limitation, our governance and the relationship between our board of directors, officers and shareholders, unless, in the case of any of the foregoing, the Company consents in writing to the selection of an alternative forum for any such particular action or proceeding. If, notwithstanding the foregoing, an action or proceeding that should have been brought in a court located within the Cayman Islands is brought in a court that is not located within the Cayman Islands, the person who brings such action or proceeding will be liable for the costs and expenses incurred by the Company in connection with such action or proceeding.

### **Listing**

We have applied to have our ordinary shares listed on Nasdaq under the symbol "CMBM."

### **Transfer agent and registrar**

We expect to appoint Computershare Trust Company, N.A. as registrar and transfer agent for our ordinary shares effective immediately prior to completion of the offering.

## Shares eligible for future sale

Prior to this offering, there has been no public market for our shares, and we cannot predict the effect, if any, that market sales of our shares or the availability of our shares for sale will have on the market price of our shares prevailing from time to time. Future sales of our shares in the public market, or the availability of such shares for sale in the public market, could adversely affect market prices prevailing from time to time. As described below, only a limited number of our shares will be available for sale shortly after this offering due to contractual and legal restrictions on resale. Nevertheless, sales of our shares in the public market after such restrictions lapse, or the perception that those sales may occur, could adversely affect the prevailing market price at such time and our ability to raise equity capital in the future.

Following the completion of this offering, based on the number of our shares outstanding as of \_\_\_\_\_, assuming the completion of the Recapitalization based on an assumed initial public offering price of \$ \_\_\_\_\_, the midpoint of the range on the cover of this prospectus, we will have a total of \_\_\_\_\_ shares outstanding.

Of those outstanding shares, \_\_\_\_\_ shares sold in the offering will be freely tradeable, except that any shares purchased in this offering by our affiliates, as that term is defined in Rule 144 under the Securities Act, would only be able to be sold in compliance with the Rule 144 limitations described below.

The remaining outstanding shares will be, and shares underlying restricted share units will be upon issuance, deemed “restricted securities” as defined in Rule 144 under the Securities Act. Restricted securities may be sold in the public market only if they are registered or if they qualify for an exemption from registration under Rule 144 or Rule 701 under the Securities Act, which rules are summarized below. All of our executive officers, directors and holders of substantially all of our equity securities have entered into lock-up agreements with the underwriters under which they have agreed, subject to specific exceptions, not to sell any of our equity securities for 180 days following the date of this prospectus. As a result of these agreements and subject to the provisions of Rule 144 or Rule 701, shares will be available for sale in the public market as follows:

- beginning on the date of this prospectus, all shares sold in this offering will be immediately available for sale in the public market except to the extent purchased by one of our affiliates; and
- beginning 181 days after the date of this prospectus, the remainder of the shares will be eligible for sale in the public market from time to time thereafter, subject in some cases to restrictions in award agreements and contractual obligations with us or with Vector Capital or the volume and other restrictions of Rule 144, as described below.

### Lock-up

We and our officers, directors and holders of substantially all of our shares and securities convertible into or exchangeable for our shares have agreed or will agree that for a period of 180 days after the date of this prospectus, or lock-up period, we and they will not, without the prior written consent of J.P. Morgan Securities LLC and Goldman Sachs & Co. LLC, and subject to certain exceptions:

- offer, pledge, sell contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase or otherwise transfer or dispose of, directly or indirectly, any shares of the Company or any securities convertible into or exercisable or exchangeable for shares, or publicly disclose the intention to make any offer, sale pledge or disposition;
- enter into any swap or other agreement that transfers, in whole or in part, any of the economic consequences of ownership of the shares or such securities, whether such transaction described above or such swap or other agreement referenced herein is to be settled by delivery of shares or such other securities, in cash or otherwise; or



## [Table of Contents](#)

- make any demand for or exercise any right with respect to the registration of any shares or any of our security convertible into or exercisable or exchangeable for shares.

This lock-up provision applies to shares and to securities convertible into or exchangeable or exercisable for or repayable with shares. It also applies to shares owned now or acquired later by the person executing the agreement or for which the person executing the agreement later acquires the power of disposition. J.P. Morgan Securities LLC and Goldman Sachs & Co. LLC may, in their discretion, release any of the securities subject to these lock-up agreements at any time.

### **Rule 144**

In general, Rule 144 provides that once we have been subject to the public company reporting requirements of Section 13 or Section 15(d) of the Exchange Act for at least 90 days, a person who is not deemed to have been one of our affiliates for purposes of the Securities Act at any time during the 90 days preceding a sale and who has beneficially owned the shares proposed to be sold for at least six months is entitled to sell those shares without complying with the manner of sale, volume limitation, or notice provisions of Rule 144, subject to compliance with the public information requirements of Rule 144. If such a person has beneficially owned the shares proposed to be sold for at least one year, including the holding period of any prior owner other than our affiliates, then that person would be entitled to sell those shares without complying with any of the requirements of Rule 144.

In general, Rule 144 provides that our affiliates or persons selling our shares on behalf of our affiliates are entitled to sell upon expiration of the market standoff agreements and lock-up agreements described above, within any three-month period, a number of our shares that does not exceed the greater of:

- 1% of the number of our shares then outstanding, which will equal \_\_\_\_\_ shares immediately after the completion of this offering; or
- the average weekly trading volume of our shares during the four calendar weeks preceding the filing of a notice on Form 144 with respect to that sale.

Sales of our shares made in reliance upon Rule 144 by our affiliates or persons selling our shares on behalf of our affiliates are also subject to certain manner of sale provisions and notice requirements and to the availability of current public information about us.

### **Rule 701**

Rule 701 generally allows a shareholder who purchased our shares pursuant to a written compensatory plan or contract and who is not deemed to have been an affiliate of our company during the immediately preceding 90 days to sell these shares in reliance upon Rule 144, but without being required to comply with the public information, holding period, volume limitation, or notice provisions of Rule 144. Rule 701 also permits affiliates of our company to sell their Rule 701 shares under Rule 144 without complying with the holding period requirements of Rule 144. All holders of Rule 701 shares, however, are required to wait until 90 days after the date of this prospectus before selling those shares pursuant to Rule 701.

### **Registration rights**

Pursuant to our registration rights agreement with Vector Capital, after the completion of this offering, the holders of up to \_\_\_\_\_ shares, or certain transferees, will be entitled to certain rights with respect to the registration of the offer and sale of those shares, under the Securities Act. See the section titled "Description of

Share capital—Registration rights” for a description of these registration rights. If the offer and sale of these shares are registered, the shares will be freely tradable without restriction under the Securities Act, subject to the Rule 144 limitations applicable to affiliates, and a large number of shares may be sold into the public market.

### **Registration statement**

We intend to file a registration statement on Form S-8 under the Securities Act promptly after the completion of this offering to register shares subject to outstanding options and restricted share units, as well as reserved for future issuance, under our equity compensation plans. The registration statement on Form S-8 is expected to become effective immediately upon filing, and our shares covered by the registration statement will then become eligible for sale in the public market, subject to the Rule 144 limitations applicable to affiliates, vesting restrictions, and any applicable market standoff agreements and lock-up agreements. See the section titled “Executive compensation—Employee benefit and share plans” for a description of our equity compensation plans.

## Material tax considerations for U.S. holders

The following is a summary of the material Cayman Islands and U.S. federal income tax consequences of an investment in our shares. The summary is not intended to be, nor should it be construed as, legal or tax advice to any particular prospective purchaser. The summary is based on laws and relevant interpretations thereof in effect as of the date of this prospectus, all of which are subject to change or different interpretations, possibly with retroactive effect. The discussion does not deal with all possible tax consequences relating to an investment in our shares, such as U.S. state or local tax laws, or tax laws of jurisdictions other than the Cayman Islands and the United States. To the extent that the discussion relates to matters of Cayman Islands tax law, it represents the opinion of Walkers, special Cayman Islands counsel to us. To the extent the discussion relates to matters of current U.S. federal income tax law, and subject to the qualifications herein, it represents the opinion of Sidley Austin LLP, our special U.S. counsel. You should consult your own tax advisors with respect to the consequences of acquisition, ownership and disposition of our shares.

### Cayman Islands taxation

It is the responsibility of all persons interested in purchasing our shares to inform themselves as to any tax consequences from their investing in us and our operations or management, as well as any foreign exchange or other fiscal or legal restrictions, which are relevant to their particular circumstances in connection with the acquisition, holding or disposition of our shares. Investors should therefore seek their own separate tax advice in relation to their holding of our shares and accordingly we accept no responsibility for the taxation consequences of any investment in us by an investor.

There is, at present, no direct taxation in the Cayman Islands and interest, dividends and gains payable to us will be received free of all Cayman Islands taxes.

Pursuant to Section 6 of the Tax Concessions Law (as amended) of the Cayman Islands, we have obtained an undertaking from the Government of the Cayman Islands:

- that no law which is enacted in the Cayman Islands imposing any tax to be levied on profits or income or gains or appreciation shall apply to us or our operations; and
- that the aforesaid tax or any tax in the nature of estate duty or inheritance tax shall not be payable on our shares, debentures or other obligations.

The undertaking for us is for a period of twenty years from August 16, 2011.

### U.S. federal income taxation

This discussion describes the material U.S. federal income tax consequences of the ownership and disposition of our shares. This discussion does not address any aspect of U.S. federal gift or estate tax, or the state, local or non-U.S. tax consequences of an investment in our shares. This discussion applies only to U.S. Holders (as defined below) who beneficially own our shares as capital assets for U.S. federal income tax purposes. This discussion does not apply to you if you are a member of a class of holders subject to special rules, such as:

- dealers in securities or currencies;
- traders in securities that elect to use a mark-to-market method of accounting for securities holdings;
- banks or certain financial institutions;
- insurance companies;

## [Table of Contents](#)

- tax-exempt organizations;
- partnerships or other entities treated as partnerships or other pass-through entities for U.S. federal income tax purposes or persons holding shares through any such entities;
- regulated investments companies or real estate investment trusts;
- persons that hold shares as part of a hedge, straddle, constructive sale, conversion transaction or other integrated investment;
- persons whose functional currency for tax purposes is not the U.S. dollar;
- persons liable for alternative minimum tax; or
- persons who actually or constructively own 10% or more of the total combined voting power or value of our shares.

This discussion is based on the U.S. Internal Revenue Code of 1986, as amended, which we refer to in this discussion as the Code, its legislative history, existing and proposed regulations promulgated thereunder, published rulings and court decisions, all as of the date hereof. These laws are subject to change, possibly on a retroactive basis.

***Prospective purchasers are urged to consult their own tax advisor concerning the particular U.S. federal income tax consequences to them of the purchase, ownership and disposition of our shares, as well as the consequences to them arising under the laws of any other taxing jurisdiction.***

For purposes of the U.S. federal income tax discussion below, you are a “U.S. Holder” if you beneficially own our shares and are:

- an individual who is a citizen or resident of the United States for U.S. federal income tax purposes;
- a corporation, or other entity taxable as a corporation, that was created or organized in or under the laws of the United States or any state thereof or the District of Columbia;
- an estate the income of which is subject to U.S. federal income tax regardless of its source; or
- a trust if (a) a court within the United States is able to exercise primary supervision over its administration and one or more U.S. persons have the authority to control all substantial decisions of the trust, or (b) the trust has a valid election in effect to be treated as a U.S. person.

For U.S. federal income tax purposes, income earned through a non-U.S. or U.S. partnership or other flow-through entity is attributed to its owners. Accordingly, if a partnership or other flow-through entity holds shares, the tax treatment of the holder will generally depend on the status of the partner or other owner and the activities of the partnership or other flow-through entity.

### ***Dividends on shares***

Subject to the “Passive Foreign Investment Company” discussion below, the gross amount of any distributions you receive on your shares (including any withholding taxes) will generally be includible in your gross income on the day you actually or constructively receive such income as dividend income if the distributions are made from our current or accumulated earnings and profits, calculated according to U.S. federal income tax principles. We do not intend to determine our earnings and profits on the basis of U.S. federal income tax principles. Accordingly, we will generally report distributions paid on our shares, if any, as dividend distributions for U.S. federal income tax purposes. With respect to non-corporate U.S. Holders, certain

dividends received from a qualified foreign corporation may be subject to a reduced capital gains rate rather than the marginal tax rates generally applicable to ordinary income. A non-U.S. corporation is treated as a qualified foreign corporation with respect to dividends from that corporation on shares that are readily tradable on an established securities market in the United States. U.S. Treasury Department guidance indicates that our shares, which we have applied to list on the Nasdaq Global Market, will be readily tradable on an established securities market in the United States. There can be no assurance that our shares will be considered readily tradable on an established securities market in later years. Non-corporate U.S. Holders that do not meet a minimum holding period requirement (more than 60 days of ownership, without protection from the risk of loss, during the 121-day period beginning 60 days before the ex-dividend date) will not be eligible for the reduced rates of taxation regardless of our status as a qualified foreign corporation. You should consult your own tax advisor as to the rate of tax that will apply to you with respect to dividend distributions, if any, you receive from us.

Dividends received on our shares will not be eligible for the dividends received deduction allowed for corporations. Dividends generally will constitute foreign source passive income for purposes of the U.S. foreign tax credit rules. You should consult your own advisor as to your ability, and the various limitations on your ability, to claim foreign tax credits in connection with the receipt of dividends.

### ***Sales and other dispositions of shares***

Subject to the "Passive Foreign Investment Company" discussion below, when you sell or otherwise dispose of our shares, you will generally recognize capital gain or loss in an amount equal to the difference between the amount realized on the sale or other disposition and your adjusted tax basis in the shares. Your adjusted tax basis will generally equal the amount you paid for the shares. Any gain or loss you recognize will be long-term capital gain or loss if your holding period in our shares is more than one year at the time of disposition. If you are a non-corporate U.S. Holder, including an individual, any such long-term capital gain will be taxed at preferential rates. The deductibility of a capital loss may be subject to various limitations. Any gain or loss recognized by you will generally be treated as U.S. source gain or loss. You should consult your own tax advisor as to your ability, and the various limitations on your ability, to claim foreign tax credits in connection with a disposition of shares.

### ***Passive Foreign Investment Company***

If we are a passive foreign investment company, or PFIC, in any taxable year in which you hold our shares, as a U.S. Holder, you would generally be subject to adverse U.S. tax consequences, in the form of increased tax liabilities and special U.S. tax reporting requirements.

In general, we will be classified as a PFIC in any taxable year if either: (a) the average quarterly value of our gross assets that produce passive income or are held for the production of passive income is at least 50% of the average quarterly value of our total gross assets (the "asset test") or (b) 75% or more of our gross income for the taxable year is passive income (such as certain dividends, interest or royalties). For this purpose, we will be treated as owning our proportionate share of the assets and earning our proportionate share of the income of any other corporation in which we own, directly or indirectly, at least 25% (by value) of the shares of such corporation. For purposes of the asset test: (a) any cash and cash invested in short-term, interest bearing, debt instruments, or bank deposits that are readily convertible into cash will generally count as producing passive income or held for the production of passive income, and (b) the total value of our assets is calculated by taking into account our market capitalization.

We do not expect to be a PFIC for the taxable year 2018 or in the foreseeable future. Our expectation regarding our status as a PFIC is based on assumptions as to our projections of the value of our outstanding shares during the year and our use of the proceeds of the initial public offering of our shares and of other cash that we will

## [Table of Contents](#)

hold and generate in the ordinary course of our business throughout taxable year 2018. Despite our expectation, there can be no assurance that we will not be a PFIC in 2018 or any future taxable year as PFIC status is tested each taxable year and will depend on the composition of our assets and income in such taxable year. In particular, in determining the average percentage value of our gross assets, the aggregate value of our assets will generally be deemed to be equal to our market capitalization (the sum of the aggregate value of our outstanding equity) plus our liabilities. Therefore, a drop in the market price of our shares and associated decrease in the value of our goodwill would cause a reduction in the value of our non-passive assets for purposes of the asset test. Accordingly, we would likely become a PFIC if our market capitalization were to decrease significantly while we hold substantial cash and cash equivalents. As we have not designated specific uses for all of the net proceeds we receive from this offering, we may retain a significant portion of those net proceeds in the form of short-term investments or bank deposits for a prolonged period, which could affect our PFIC status in future years. For further details on our intended use of the net proceeds we receive from this offering, see “Use of proceeds.” We could also be a PFIC for any taxable year if the gross income that we and our subsidiaries earn from investing the portion of the cash raised in our initial public offering that exceeds the immediate capital needs of our business is substantial in comparison with the gross income from our business operations. Our special U.S. counsel expresses no opinion with respect to our expectations contained in this paragraph.

If we were a PFIC for any taxable year during which you held our shares, certain adverse U.S. federal income tax rules would apply. You would generally be subject to additional taxes and interest charges on certain “excess distributions” we make and on any gain realized on the disposition or deemed disposition of your shares, regardless of whether we continue to be a PFIC in the year in which you receive an “excess distribution” or dispose of or are deemed to dispose of your shares. Distributions in respect of your shares during a taxable year would generally constitute “excess distributions” if, in the aggregate, they exceed 125% of the average amount of distributions with respect to your shares over the three preceding taxable years or, if shorter, the portion of your holding period before such taxable year.

To compute the tax on “excess distributions” or any gain, (a) the “excess distribution” or the gain would be allocated ratably to each day in your holding period for the shares, (b) the amount allocated to the current year and any tax year prior to the first taxable year in which we were a PFIC would be taxed as ordinary income in the current year, (c) the amount allocated to other taxable years would be taxable at the highest applicable marginal rate in effect for that year, and (d) an interest charge at the rate for underpayment of taxes for any period described under (c) above would be imposed on the resulting tax liability on any portion of the “excess distribution” or gain that is allocated to such period. In addition, no distribution that you receive from us would qualify for taxation at the preferential rate discussed in the “—Dividends on shares” section above if we were a PFIC in the taxable year in which such distribution is made or in the preceding taxable year.

Under certain attribution rules, if we are a PFIC, you will be deemed to own your proportionate share (by value) of lower-tier PFICs, and will be subject to U.S. federal income tax on (i) a distribution on the shares of a lower-tier PFIC and (ii) a disposition of shares of a lower-tier PFIC, both as if you directly held the shares of such lower-tier PFIC.

If we were a PFIC in any year, you would generally be able to avoid the “excess distribution” rules described above by making a timely so-called “mark-to-market” election with respect to your shares provided our shares are “marketable.” Our shares will be “marketable” as long as they remain regularly traded on a national securities exchange, such as Nasdaq. If you made this election in a timely fashion, you would generally recognize as ordinary income or ordinary loss the difference between the fair market value of your shares on the first day of any taxable year and your adjusted tax basis in the shares. Any ordinary income resulting from this election would generally be taxed at ordinary income rates and would not be eligible for the reduced rate of taxation discussed in the “—Dividends on shares” section above.

## [Table of Contents](#)

Any ordinary losses would be deductible, but only to the extent of the net amount of previously included income as a result of the mark-to-market election, if any. Your basis in the shares would be adjusted to reflect any such income or loss. You should consult your own tax adviser regarding potential advantages and disadvantages to you of making a “mark-to-market” election with respect to your shares. The mark-to-market election will not be available for any lower tier PFIC that is deemed owned pursuant to the attribution rules discussed above. If you make a mark-to-market election it will be effective for the taxable year for which the election is made and all subsequent taxable years unless the shares are no longer “marketable” or the Internal Revenue Service, or IRS, consents to the revocation.

The “excess distribution” rules described above would not apply to holders who make a “Qualified Electing Fund” election with respect to their shares. We do not intend to provide you with the information you would need to make or maintain a “Qualified Electing Fund” election and you will, therefore, not be able to make or maintain such an election with respect to your shares.

If you own our shares during any taxable year that we are a PFIC, you are required to file an annual report containing such information as the United States Treasury Department may require and will generally be required to file an annual IRS Form 8621. Each U.S. Holder is advised to consult with its tax advisor concerning the U.S. federal income tax consequences of purchasing, holding and disposing shares if we are or become classified as a PFIC.

### ***U.S. information reporting and backup withholding rules***

In general, dividend payments with respect to the shares and the proceeds received on the sale or other disposition of shares may be subject to information reporting to the IRS and to backup withholding. Backup withholding will not apply, however, if you (a) come within certain exempt categories and, when required, can demonstrate that fact or (b) provide a taxpayer identification number, certify as to no loss of exemption from backup withholding and otherwise comply with the applicable backup withholding rules. To establish your status as an exempt person, you will generally be required to provide certification on IRS Form W-9. Any amounts withheld from payments to you under the backup withholding rules that exceed your U.S. federal income tax liability will be allowed as a refund or a credit against your U.S. federal income tax liability, provided that you timely furnish the required information to the IRS. Certain U.S. Holders who hold “specific foreign financial assets,” including shares of a non-U.S. corporation that are not held in an account maintained by a U.S. “financial institution,” the aggregate value of which exceeds \$50,000 during the tax year, may be required to attach to their tax returns for the year certain specified information. A U.S. Holder who fails to timely furnish the required information may be subject to a penalty. Each U.S. Holder is advised to consult with its tax advisor regarding the application of the U.S. information reporting rules to their particular circumstances.

PROSPECTIVE PURCHASERS OF OUR SHARES SHOULD CONSULT WITH THEIR OWN TAX ADVISOR REGARDING THE APPLICATION OF THE U.S. FEDERAL INCOME TAX LAWS TO THEIR PARTICULAR SITUATIONS AS WELL AS ANY TAX CONSEQUENCES RESULTING FROM PURCHASING, HOLDING OR DISPOSING OF OUR SHARES, INCLUDING THE APPLICABILITY AND EFFECT OF THE TAX LAWS OF ANY STATE, LOCAL OR NON-US JURISDICTION AND INCLUDING ESTATE, GIFT AND INHERITANCE LAWS.

## Underwriting

We are offering the shares described in this prospectus through a number of underwriters. J.P. Morgan Securities LLC and Goldman Sachs & Co. LLC are acting as joint book-running managers of the offering and as representatives of the underwriters. We will enter into an underwriting agreement with the underwriters. Subject to the terms and conditions of the underwriting agreement, we will agree to sell to the underwriters, and each underwriter will severally agree to purchase, at the public offering price less the underwriting discounts and commissions set forth on the cover page of this prospectus, the number of shares listed next to its name in the following table:

Underwriters	Number of shares
J.P. Morgan Securities LLC.	
Goldman Sachs & Co. LLC	
Deutsche Bank Securities Inc.	
Raymond James & Associates, Inc.	
JMP Securities LLC	
Oppenheimer & Co. Inc.	
Total	

The underwriters will be committed to purchase all of the shares offered by us if they purchase any shares. The underwriting agreement will also provide that if an underwriter defaults, the purchase commitments of non-defaulting underwriters may also be increased or the offering may be terminated.

The underwriters propose to offer the shares directly to the public at the initial public offering price set forth on the cover page of this prospectus and to certain dealers at that price less a concession not in excess of \$ \_\_\_\_\_ per share. Any such dealers may resell shares to certain other brokers or dealers at a discount of up to \$ \_\_\_\_\_ per share from the initial public offering price. After the initial public offering of the shares, the offering price and other selling terms may be changed by the underwriters. Sales of shares made outside of the United States may be made by affiliates of the underwriters.

The underwriters will have an option to buy up to \_\_\_\_\_ additional shares from us to cover sales of shares by the underwriters which exceed the number of shares specified in the table above. The underwriters will have 30 days from the date of this prospectus to exercise this option to purchase additional shares. If any shares are purchased with this option to purchase additional shares, the underwriters will purchase shares in approximately the same proportion as shown in the table above. If any additional shares are purchased, the underwriters will offer the additional shares on the same terms as those on which the shares are being offered.

The underwriting fee is equal to the public offering price per share of the shares less the amount paid by the underwriters to us per share of the shares. The underwriting fee is \$ \_\_\_\_\_ per share. The following table shows the per share and total underwriting discounts and commissions to be paid to the underwriters assuming both no exercise and full exercise of the underwriters' option to purchase additional shares.

	No exercise	Full exercise
Per Share	\$ _____	\$ _____
Total	\$ _____	\$ _____

We estimate that the total expenses of this offering, including registration, filing and listing fees, printing fees and legal and accounting expenses, but excluding the underwriting discounts and commissions, will be approximately \$ \_\_\_\_\_.



## [Table of Contents](#)

The underwriters will agree to reimburse us for certain expenses incurred by us in connection with this offering upon closing of this offering.

A prospectus in electronic format may be made available on the web sites maintained by one or more underwriters, or selling group members, if any, participating in the offering. The underwriters may agree to allocate a number of shares to underwriters and selling group members for sale to their online brokerage account holders. Internet distributions will be allocated by the representatives to underwriters and selling group members that may make Internet distributions on the same basis as other allocations.

We will agree that we will not (i) offer, pledge, announce the intention to sell, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase or otherwise dispose of, directly or indirectly, or file with the SEC a registration statement under the Securities Act relating to, any of our shares or securities convertible into or exchangeable or exercisable for any of our shares, or publicly disclose the intention to make any offer, sale, pledge, disposition or filing, or (ii) enter into any swap or other arrangement that transfers all or a portion of the economic consequences associated with the ownership of any of our shares or any such other securities (regardless of whether any of these transactions are to be settled by the delivery of our shares or such other securities, in cash or otherwise), in each case without the prior written consent of J.P. Morgan Securities LLC and Goldman Sachs & Co. LLC for a period of 180 days after the date of this prospectus, other than our shares to be sold hereunder and any of our shares issued upon the exercise of options granted under our existing plans.

Our directors, officers and holders of substantially all of our shares and securities convertible into or exchangeable for our shares have entered or will enter into lock-up agreements with the underwriters prior to the commencement of this offering pursuant to which each of these persons or entities, with limited exceptions, for a period of 180 days after the date of this prospectus, may not, without the prior written consent of J.P. Morgan Securities LLC and Goldman Sachs & Co. LLC, (1) offer, pledge, announce the intention to sell, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, or otherwise transfer or dispose of, directly or indirectly, any of our shares or any securities convertible into or exercisable or exchangeable for our shares (including, without limitation, shares or such other securities which may be deemed to be beneficially owned by such directors, executive officers, managers and members in accordance with the rules and regulations of the SEC and securities which may be issued upon exercise of an option or warrant) or (2) enter into any swap or other agreement that transfers, in whole or in part, any of the economic consequences of ownership of the shares or such other securities, whether any such transaction described in clause (1) or (2) above is to be settled by delivery of our shares or such other securities, in cash or otherwise, or (3) make any demand for or exercise any right with respect to the registration of any of our shares or any security convertible into or exercisable or exchangeable for our shares.

We will agree to indemnify the underwriters against certain liabilities, including liabilities under the Securities Act of 1933.

We have applied to have our shares listed on Nasdaq under the symbol "CMBM."

In connection with this offering, the underwriters may engage in stabilizing transactions, which involves making bids for, purchasing and selling our shares in the open market for the purpose of preventing or retarding a decline in the market price of the shares while this offering is in progress. These stabilizing transactions may include making short sales of the shares, which involves the sale by the underwriters of a greater number of shares than they are required to purchase in this offering, and purchasing shares on the open market to cover positions created by short sales. Short sales may be "covered" shorts, which are short positions in an amount not greater than the underwriters' option to purchase additional shares referred to above, or may be "naked"

## [Table of Contents](#)

shorts, which are short positions in excess of that amount. The underwriters may close out any covered short position either by exercising their option to purchase additional shares, in whole or in part, or by purchasing shares in the open market. In making this determination, the underwriters will consider, among other things, the price of shares available for purchase in the open market compared to the price at which the underwriters may purchase shares through the option to purchase additional shares. A naked short position is more likely to be created if the underwriters are concerned that there may be downward pressure on the price of the shares in the open market that could adversely affect investors who purchase in this offering. To the extent that the underwriters create a naked short position, they will purchase shares in the open market to cover the position.

The underwriters have advised us that, pursuant to Regulation M of the Securities Act, they may also engage in other activities that stabilize, maintain or otherwise affect the price of the shares, including the imposition of penalty bids. This means that if the representatives of the underwriters purchase shares in the open market in stabilizing transactions or to cover short sales, the representatives can require the underwriters that sold those shares as part of this offering to repay the underwriting discount received by them.

These activities may have the effect of raising or maintaining the market price of the shares or preventing or retarding a decline in the market price of the shares, and, as a result, the price of the shares may be higher than the price that otherwise might exist in the open market. If the underwriters commence these activities, they may discontinue them at any time. The underwriters may carry out these transactions on the Nasdaq, in the over-the-counter market or otherwise.

Prior to this offering, there has been no public market for our shares. The initial public offering price will be determined by negotiations between us and the representatives of the underwriters. In determining the initial public offering price, we and the representatives of the underwriters expect to consider a number of factors including:

- the information set forth in this prospectus and otherwise available to the representatives;
- our prospects and the history and prospects for the industry in which we compete;
- an assessment of our management;
- our prospects for future earnings;
- the general condition of the securities markets at the time of this offering;
- the recent market prices of, and demand for, publicly traded shares of generally comparable companies; and
- other factors deemed relevant by the underwriters and us.

Neither we nor the underwriters can assure investors that an active trading market will develop for our shares, or that the shares will trade in the public market at or above the initial public offering price.

Other than in the United States, no action has been taken by us or the underwriters that would permit a public offering of the securities offered by this prospectus in any jurisdiction where action for that purpose is required. The securities offered by this prospectus may not be offered or sold, directly or indirectly, nor may this prospectus or any other offering material or advertisements in connection with the offer and sale of any such securities be distributed or published in any jurisdiction, except under circumstances that will result in compliance with the applicable rules and regulations of that jurisdiction. Persons into whose possession this prospectus comes are advised to inform themselves about and to observe any restrictions relating to the offering and the distribution of this prospectus. This prospectus does not constitute an offer to sell or a solicitation of an offer to buy any securities offered by this prospectus in any jurisdiction in which such an offer or a solicitation is unlawful.

## **Notice to prospective investors in Canada**

The shares may be sold only to purchasers purchasing, or deemed to be purchasing, as principal, that are accredited investors, as defined in National Instrument 45-106 Prospectus Exemptions or subsection 73.3(1) of the Securities Act (Ontario) and are permitted clients, as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations. Any resale of the shares must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this prospectus (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor.

Pursuant to section 3A.3 of National Instrument 33-105 *Underwriting Conflicts*, or NI 33-105, the underwriters are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with this offering.

## **Notice to prospective investors in the European Economic Area**

In relation to each Member State of the European Economic Area, each, a Relevant Member State, no offer of shares may be made to the public in that Relevant Member State other than:

- A. to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- B. to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive), as permitted under the Prospectus Directive, subject to obtaining the prior consent of the representatives; or
- C. in any other circumstances falling within Article 3(2) of the Prospectus Directive;

provided that no such offer of shares shall require the Company or the representatives to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

Each person in a Relevant Member State who initially acquires any shares or to whom any offer is made will be deemed to have represented, acknowledged and agreed that it is a "qualified investor" within the meaning of the law in that Relevant Member State implementing Article 2(1)(e) of the Prospectus Directive. In the case of any shares being offered to a financial intermediary as that term is used in Article 3(2) of the Prospectus Directive, each such financial intermediary will be deemed to have represented, acknowledged and agreed that the shares acquired by it in the offer have not been acquired on a non-discretionary basis on behalf of, nor have they been acquired with a view to their offer or resale to, persons in circumstances which may give rise to an offer of any shares to the public other than their offer or resale in a Relevant Member State to qualified investors as so defined or in circumstances in which the prior consent of the representatives has been obtained to each such proposed offer or resale.

The Company, the representatives and their affiliates will rely upon the truth and accuracy of the foregoing representations, acknowledgements and agreements.

## [Table of Contents](#)

This prospectus has been prepared on the basis that any offer of shares in any Relevant Member State will be made pursuant to an exemption under the Prospectus Directive from the requirement to publish a prospectus for offers of shares. Accordingly any person making or intending to make an offer in that Relevant Member State of shares which are the subject of this offering contemplated in this prospectus may only do so in circumstances in which no obligation arises for the Company or any of the underwriters to publish a prospectus pursuant to Article 3 of the Prospectus Directive in relation to such offer. Neither the Company nor the underwriters have authorized, nor do they authorize, the making of any offer of shares in circumstances in which an obligation arises for the Company or the underwriters to publish a prospectus for such offer.

For the purpose of the above provisions, the expression “an offer to the public” in relation to any shares in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the shares to be offered so as to enable an investor to decide to purchase or subscribe the shares, as the same may be varied in the Relevant Member State by any measure implementing the Prospectus Directive in the Relevant Member State and the expression “Prospectus Directive” means Directive 2003/71/EC (including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member States) and includes any relevant implementing measure in the Relevant Member State and the expression “2010 PD Amending Directive” means Directive 2010/73/EU.

### **Notice to prospective investors in the United Kingdom**

In addition, in the United Kingdom, this document is being distributed only to and is directed only at and any offer subsequently made may only be directed at persons who are “qualified investors” (as defined in the Prospectus Directive) (i) who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended, or the Order, and/or (ii) who are high net worth companies (or persons to whom it may otherwise be lawfully communicated) falling within Article 49(2)(a) to (d) of the Order all such persons together being referred to as relevant persons.

Any person in the United Kingdom that is not a relevant person should not act or rely on the information included in this document or use it as basis for taking any action. In the United Kingdom, any investment or investment activity that this document relates to may be made or taken exclusively by relevant persons. Any person in the United Kingdom that is not a relevant person should not act or rely on this document or any of its contents.

### **Notice to prospective investors in Switzerland**

The shares may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange, or SIX, or on any other stock exchange or regulated trading facility in Switzerland. This document does not constitute a prospectus within the meaning of and has been prepared without regard to the disclosure standards for issuance prospectuses under art. 652a or art. 1156 of the Swiss Code of Obligations or the disclosure standards for listing prospectuses under art. 27 ff. of the SIX Listing Rules or the listing rules of any other stock exchange or regulated trading facility in Switzerland. Neither this document nor any other offering or marketing material relating to the shares or this offering may be publicly distributed or otherwise made publicly available in Switzerland.

Neither this document nor any other offering or marketing material relating to this offering, the Company, the shares have been or will be filed with or approved by any Swiss regulatory authority. In particular, this document will not be filed with and the offer of shares will not be supervised by, the Swiss Financial Market Supervisory Authority FINMA, or FINMA, and the offer of shares has not been and will not be authorized under

the Swiss Federal Act on Collective Investment Schemes, or CISA. The investor protection afforded to acquirers of interests in collective investment schemes under the CISA does not extend to acquirers of shares.

### **Notice to prospective investors in France**

Neither this prospectus nor any other offering material relating to the shares described in this prospectus has been submitted to the clearance procedures of the *Autorité des Marchés Financiers* or of the competent authority of another member state of the European Economic Area and notified to the *Autorité des Marchés Financiers*. The shares have not been offered or sold and will not be offered or sold, directly or indirectly, to the public in France. Neither this prospectus nor any other offering material relating to the shares has been or will be:

- released, issued, distributed or caused to be released, issued or distributed to the public in France; or
- used in connection with any offer for subscription or sale of the shares to the public in France.

Such offers, sales and distributions will be made in France only:

- to qualified investors (*investisseurs qualifiés*) and/or to a restricted circle of investors (*cercle restreint d'investisseurs*), in each case investing for their own account, all as defined in and in accordance with articles L.411-2, D.411-1, D.411-2, D.734-1, D.744-1, D.754-1 and D.764-1 of the French *Code monétaire et financier*;
- to investment services providers authorized to engage in portfolio management on behalf of third parties; or
- in a transaction that, in accordance with article L.411-2-II-1°-or-2°-or 3° of the French *Code monétaire et financier* and article 211-2 of the General Regulations (*Règlement Général*) of the *Autorité des Marchés Financiers*, does not constitute a public offer (*appel public à l'épargne*).

The shares may be resold directly or indirectly, only in compliance with articles L.411-1, L.411-2, L.412-1 and L.621-8 through L.621-8-3 of the French *Code monétaire et financier*.

### **Notice to prospective investors in Hong Kong**

The shares may not be offered or sold in Hong Kong by means of any document other than (i) in circumstances which do not constitute an offer to the public within the meaning of the Companies Ordinance (Cap. 32, Laws of Hong Kong), or (ii) to “professional investors” within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder, or (iii) in other circumstances which do not result in the document being a “prospectus” within the meaning of the Companies Ordinance (Cap. 32, Laws of Hong Kong) and no advertisement, invitation or document relating to the shares may be issued or may be in the possession of any person for the purpose of issue (in each case whether in Hong Kong or elsewhere), which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the laws of Hong Kong) other than with respect to shares which are or are intended to be disposed of only to persons outside of Hong Kong or only to “professional investors” within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder.

### **Notice to prospective investors in Japan**

The shares offered in this prospectus have not been and will not be registered under the Financial Instruments and Exchange Law of Japan. The shares have not been offered or sold and will not be offered or sold, directly or indirectly, in Japan or to or for the account of any resident of Japan (including any corporation or other entity organized under the laws of Japan), except (i) pursuant to an exemption from the registration requirements of the Financial Instruments and Exchange Law and (ii) in compliance with any other applicable requirements of Japanese law.

## **Notice to prospective investors in Singapore**

This prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the shares may not be circulated or distributed, nor may the shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore, or the SFA, (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A) and in accordance with the conditions specified in Section 275 of the SFA or (iii) otherwise pursuant to and in accordance with the conditions of, any other applicable provision of the SFA, in each case subject to compliance with conditions set forth in the SFA.

Where the shares are subscribed or purchased under Section 275 of the SFA by a relevant person that is:

- a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

shares, debentures and units of shares and debentures of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the shares pursuant to an offer made under Section 275 of the SFA except:

- to an institutional investor (for corporations, under Section 274 of the SFA) or to a relevant person defined in Section 275(2) of the SFA, or to any person pursuant to an offer that is made on terms that such shares, debentures and units of shares and debentures of that corporation or such rights and interest in that trust are acquired at a consideration of not less than S\$200,000 (or its equivalent in a foreign currency) for each transaction, whether such amount is to be paid for in cash or by exchange of securities or other assets and further for corporations, in accordance with the conditions specified in Section 275 of the SFA;
- where no consideration is or will be given for the transfer; or
- where the transfer is by operation of law.

## **Notice to prospective investors in the Cayman Islands**

No offer or invitation to subscribe for shares may be made to the public in the Cayman Islands.

## **Other relationships**

Certain of the underwriters and their affiliates have provided in the past to us and our affiliates and may provide from time to time in the future certain commercial banking, financial advisory, investment banking and other services for us and such affiliates in the ordinary course of their business, for which they have received and may continue to receive customary fees and commissions. In addition, from time to time, certain of the underwriters and their affiliates may effect transactions for their own account or the account of customers and hold on behalf of themselves or their customers, long or short positions in our debt or equity securities or loans and may do so in the future.

## Legal matters

Sidley Austin LLP, Palo Alto, California is representing Cambium Networks Corporation in this offering. Certain legal matters with respect to Cayman Islands law in connection with the validity of the shares being offered by this prospectus and other legal matters will be passed upon for us by Walkers, Cayman Islands. The underwriters are being represented by Wilson Sonsini Goodrich & Rosati, Professional Corporation, Palo Alto, California.

## Experts

The consolidated financial statements of Cambium Networks Corporation as of December 31, 2016 and 2017, and for each of the years then ended, have been included herein in reliance upon the report of KPMG LLP, independent registered public accounting firm, appearing elsewhere herein, and upon the authority of said firm as experts in accounting and auditing.

During 2017, a network firm affiliated with KPMG International provided legal services, which are prohibited under SEC independence rules, to a portfolio company of Vector Capital that is an affiliate of the Company under SEC and PCAOB rules. Such services did not involve litigation and were completed in November 2017. The fees were insignificant.

Further, during 2016, 2017, and through April 2018, two network firms affiliated with KPMG International provided payroll services, which are prohibited under SEC independence rules, to two entities of another portfolio company of Vector Capital that is an affiliate of the Company under SEC and PCAOB rules. All such services have been terminated and the fees for the services were insignificant.

While providing these non-audit services is not permitted under SEC independence rules, KPMG LLP and the Company's board of directors have concluded that these services did not affect KPMG LLP's ability to be objective and apply impartial judgment in its audits of the Company's 2017 and 2016 consolidated financial statements.

## Where you can find additional information

We have filed with the SEC a registration statement on Form S-1 under the Securities Act with respect to the shares offered by this prospectus. This prospectus, which constitutes a part of the registration statement, does not contain all of the information set forth in the registration statement, some of which is contained in exhibits to the registration statement as permitted by the rules and regulations of the SEC. For further information with respect to us and our shares, we refer you to the registration statement, including the exhibits filed as a part of the registration statement. Statements contained in this prospectus concerning the contents of any contract or any other document is not necessarily complete. If a contract or document has been filed as an exhibit to the registration statement, please see the copy of the contract or document that has been filed. Each statement in this prospectus relating to a contract or document filed as an exhibit is qualified in all respects by the filed exhibit. You may obtain copies of this information by mail from the Public Reference Section of the SEC, 100 F Street, N.E., Room 1580, Washington, D.C. 20549, at prescribed rates. You may obtain information on the operation of the public reference rooms by calling the SEC at 1-800-SEC-0330. The SEC also maintains an Internet website that contains reports, proxy statements, and other information about issuers, like us, that file electronically with the SEC. The address of that website is [www.sec.gov](http://www.sec.gov).

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[Table of Contents](#)

As a result of this offering, we will become subject to the information and reporting requirements of the Exchange Act and, in accordance with this law, will file periodic reports, proxy statements, and other information with the SEC. These periodic reports, proxy statements, and other information will be available for inspection and copying at the SEC's public reference facilities and the website of the SEC referred to above. We also maintain a website at [www.cambiumnetworks.com](http://www.cambiumnetworks.com). Upon completion of this offering, you may access these materials free of charge as soon as reasonably practicable after they are electronically filed with, or furnished to, the SEC. Information contained on our website is not a part of this prospectus and the inclusion of our website address in this prospectus is an inactive textual reference only.



# Cambium Networks Corporation

## Index to Consolidated Financial Statements

	Page
<a href="#">Report of Independent Registered Public Accounting Firm</a>	F-2
<a href="#">Consolidated Balance Sheets</a>	F-3
<a href="#">Consolidated Statements of Income</a>	F-4
<a href="#">Consolidated Statements of Comprehensive Income</a>	F-5
<a href="#">Consolidated Statements of Shareholders' Deficit</a>	F-6
<a href="#">Consolidated Statements of Cash Flows</a>	F-7
<a href="#">Notes to Consolidated Financial Statements</a>	F-8

# Report of Independent Registered Public Accounting Firm

To the Shareholders and Board of Directors  
Cambium Networks Corporation:

## Opinion on the consolidated financial statements

We have audited the consolidated financial statements and the related notes (collectively, the consolidated financial statements) of Cambium Networks Corporation (the Company) as listed in the accompanying index. In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2017 and 2016, and the results of its operations and its cash flows for each of the years then ended, in conformity with U.S. generally accepted accounting principles.

## Basis for opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ KPMG LLP

We have served as the Company's auditor since 2016.  
London, United Kingdom  
May 7, 2018

## Cambium Networks Corporation Consolidated Balance Sheets

(in thousands)	December 31,		March 31,	Pro Forma March 31,
	2016	2017	2018	2018 <sup>(1)</sup>
			(unaudited)	(unaudited)
<b>ASSETS</b>				
<b>Current assets</b>				
Cash	\$ 14,627	\$ 7,377	\$ 4,492	
Receivables, net of allowances	40,275	51,579	53,075	
Inventories, net	22,661	21,885	25,897	
Recoverable income taxes	—	629	671	
Prepaid expenses	3,139	2,838	2,837	
Other current assets	1,281	1,318	3,083	
<b>Total current assets</b>	<u>81,983</u>	<u>85,626</u>	<u>90,055</u>	
<b>Noncurrent assets</b>				
Property and equipment, net	3,835	5,221	5,754	
Software, net	3,385	3,972	3,734	
Intangible assets, net	17,496	12,692	11,491	
Goodwill	8,060	8,060	8,060	
Deferred tax assets, net	4,003	6,042	6,547	
<b>TOTAL ASSETS</b>	<u>\$118,762</u>	<u>\$121,613</u>	<u>\$ 125,641</u>	
<b>LIABILITIES AND DEFICIT</b>				
<b>Current liabilities</b>				
Accounts payable	\$ 13,665	\$ 18,475	\$ 19,445	
Accrued liabilities	10,936	15,074	16,612	
Distribution accrual	—	—	—	44,900
Employee compensation	5,493	8,505	3,836	
Current portion of long-term external debt	3,138	3,934	5,058	
Payable to Sponsor	2,633	5,018	5,140	
Deferred revenues	2,685	2,891	2,191	
Other current liabilities	884	743	2,714	
<b>Total current liabilities</b>	<u>39,434</u>	<u>54,640</u>	<u>54,996</u>	99,896
<b>Noncurrent liabilities</b>				
Long-term external debt	33,377	83,443	88,334	
Loan from Sponsor	85,667	—	—	
Deferred revenues	1,339	1,356	1,255	
<b>Total liabilities</b>	<u>159,817</u>	<u>139,439</u>	<u>144,585</u>	189,485
<b>Shareholders' deficit</b>				
Share capital; \$0.01 par value; 771.79 shares issued and outstanding at December 31, 2016 and 2017 and March 31, 2018	772	772	772	
Capital contribution	2,000	24,651	24,651	(20,249)
Accumulated deficit	(52,528)	(43,400)	(44,487)	
Accumulated other comprehensive income	84	151	120	
<b>Total shareholders' deficit</b>	<u>(49,672)</u>	<u>(17,826)</u>	<u>(18,944)</u>	(63,844)
Noncontrolling interest	8,617	—	—	
<b>Total deficit</b>	<u>(41,055)</u>	<u>(17,826)</u>	<u>(18,944)</u>	
<b>TOTAL LIABILITIES AND DEFICIT</b>	<u>\$118,762</u>	<u>\$121,613</u>	<u>\$ 125,641</u>	\$ 125,641

(1) Pro forma adjustment reflects the return of capital of \$44.0 million and accrued dividends of \$0.9 million as if the transaction occurred at March 31, 2018.

The accompanying notes are an integral part of the consolidated financial statements.

## Cambium Networks Corporation Consolidated Statements of Income

(in thousands, except share and per share amounts)	Years ended December 31,		Three months ended	
	2016	2017	2017	March 31, 2018
			(unaudited)	
Revenues	\$ 181,444	\$ 216,671	\$ 48,808	\$ 58,453
Cost of revenues	91,715	105,960	23,099	30,250
<b>Gross profit</b>	<b>89,729</b>	<b>110,711</b>	<b>25,709</b>	<b>28,203</b>
<b>Operating expenses</b>				
Research and development	26,267	32,227	6,950	9,385
Sales and marketing	29,621	37,209	8,209	10,419
General and administrative	13,218	17,578	3,321	4,321
Depreciation and amortization	8,433	8,824	2,088	2,370
<b>Total operating expenses</b>	<b>77,539</b>	<b>95,838</b>	<b>20,568</b>	<b>26,495</b>
<b>Operating income</b>	<b>12,190</b>	<b>14,873</b>	<b>5,141</b>	<b>1,708</b>
Interest expense	7,565	5,018	1,493	1,758
Other expense	165	474	35	231
<b>Income (loss) before income taxes</b>	<b>4,460</b>	<b>9,381</b>	<b>3,613</b>	<b>(281)</b>
Provision (benefit) for income taxes	1,547	(418)	771	(54)
<b>Net income (loss)</b>	<b>2,913</b>	<b>9,799</b>	<b>2,842</b>	<b>(227)</b>
Less: Net income attributable to noncontrolling interest	638	671	170	—
<b>Net income (loss) attributable to shareholders</b>	<b>\$ 2,275</b>	<b>\$ 9,128</b>	<b>\$ 2,672</b>	<b>\$ (227)</b>
<b>Earnings (loss) per share</b>				
Basic and diluted	<b>\$ 2,947.69</b>	<b>\$ 11,827.05</b>	<b>\$ 3,462.08</b>	<b>\$ (294.12)</b>
<b>Shares outstanding</b>				
Basic and diluted	<b>771.79</b>	<b>771.79</b>	<b>771.79</b>	<b>771.79</b>
Pro forma net income (loss) per share, Basic and diluted (unaudited)		<b>\$</b>		<b>\$</b>
Pro forma weighted average shares used in computing basic and diluted net income (loss) per share (unaudited)		<b>=====</b>		<b>=====</b>

The accompanying notes are an integral part of the consolidated financial statements

## Cambium Networks Corporation

### Consolidated Statements of Comprehensive Income

(in thousands)	Years ended December 31,		Three months ended	
	2016	2017	2017	March 31, 2018
			(unaudited)	
<b>Net income (loss)</b>	\$ 2,913	\$ 9,799	\$ 2,842	\$ (227)
<b>Other comprehensive (loss) income</b>				
Foreign currency translation adjustment	(11)	67	90	(31)
<b>Comprehensive income (loss)</b>	<b>2,902</b>	<b>9,866</b>	2,932	(258)
Less: Comprehensive income attributable to noncontrolling interest	638	671	170	—
<b>Comprehensive income (loss) attributable to shareholders</b>	<b>\$ 2,264</b>	<b>\$ 9,195</b>	<b>\$ 2,762</b>	<b>\$ (258)</b>

The accompanying notes are an integral part of the consolidated financial statements

## Cambium Networks Corporation Consolidated Statements of Shareholders' Deficit

(in thousands)	Share capital	Capital contribution	Accumulated deficit	Accumulated other comprehensive income	Total shareholders' deficit	Noncontrolling interest	Total deficit
<b>Balance at January 1, 2016</b>	\$ 772	\$ 2,000	\$ (54,803)	\$ 95	\$ (51,936)	\$ 7,979	\$(43,957)
Net income	—	—	2,275	—	2,275	638	2,913
Foreign currency translation	—	—	—	(11)	(11)	—	(11)
<b>Balance at December 31, 2016</b>	772	2,000	(52,528)	84	(49,672)	8,617	(41,055)
Net income	—	—	9,128	—	9,128	671	9,799
Foreign currency translation	—	—	—	67	67	—	67
Distribution to noncontrolling interest	—	—	—	—	—	(9,288)	(9,288)
Sponsor capital contribution	—	88,363	—	—	88,363	—	88,363
Return of capital to Sponsor	—	(65,712)	—	—	(65,712)	—	(65,712)
<b>Balance at December 31, 2017</b>	\$ 772	\$ 24,651	\$ (43,400)	\$ 151	\$ (17,826)	\$ —	\$(17,826)
Adjustment for adoption of ASC 606 (unaudited)	—	—	(860)	—	(860)	—	(860)
Net loss (unaudited)	—	—	(227)	—	(227)	—	(227)
Foreign currency translation (unaudited)	—	—	—	(31)	(31)	—	(31)
<b>Balance at March 31, 2018 (unaudited)</b>	<u>\$ 772</u>	<u>\$ 24,651</u>	<u>\$ (44,487)</u>	<u>\$ 120</u>	<u>\$ (18,944)</u>	<u>\$ —</u>	<u>\$(18,944)</u>

The accompanying notes are an integral part of the consolidated financial statements

## Cambium Networks Corporation Consolidated Statements of Cash Flows

(in thousands)	Years ended December 31,		Three months ended March 31,	
	2016	2017	2017	2018
			(unaudited)	
<b>Cash flows from operating activities:</b>				
Net income (loss)	\$ 2,913	\$ 9,799	\$ 2,842	\$ (227)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:				
Depreciation	1,715	2,069	483	569
Amortization of software and intangible assets	6,718	6,802	1,605	1,801
Amortization of debt issuance costs	—	209	6	140
Deferred income taxes	(118)	(1,884)	94	(304)
Other	(210)	201	(234)	423
<b>Change in assets and liabilities:</b>				
Receivables	(1,199)	(10,723)	273	(761)
Inventories	(1,314)	586	4,108	(4,373)
Accounts payable	(3,363)	4,726	(4,455)	877
Accrued employee compensation	3,168	3,012	(2,155)	(4,669)
Accrued liabilities	1,745	3,380	(343)	786
Accrued Sponsor interest and payables	5,197	5,081	1,174	122
Other assets and liabilities	1,280	(257)	337	(1,821)
Net cash provided by (used in) operating activities	16,532	23,001	3,735	(7,437)
<b>Cash flows from investing activities:</b>				
Purchase of property and equipment	(1,867)	(3,346)	(518)	(985)
Purchase of software	(164)	(2,585)	(506)	(351)
Net cash used in investing activities	(2,031)	(5,931)	(1,024)	(1,336)
<b>Cash flows from financing activities:</b>				
Proceeds from issuance of term loan	—	120,000	30,000	—
Proceeds from issuance of revolver debt	7,285	—	—	7,000
Repayment of term loan	(5,389)	(46,553)	(16,553)	(1,125)
Repayment of revolver debt	(7,323)	(19,962)	(19,962)	—
Payment of debt issuance costs	—	(2,832)	(1,265)	—
Return of capital to Sponsor	—	(65,712)	—	—
Distribution to noncontrolling interest	—	(9,288)	—	—
Net cash (used in) provided by financing activities	(5,427)	(24,347)	(7,780)	5,875
Effect of exchange rate on cash	(64)	27	3	13
Net increase (decrease) in cash	9,010	(7,250)	(5,066)	(2,885)
Cash, beginning of period	5,617	14,627	14,627	7,377
Cash, end of period	\$ 14,627	\$ 7,377	\$ 9,561	\$ 4,492
<b>Supplemental disclosure of cash flow information:</b>				
Income taxes paid	\$ 1,310	\$ 1,490	\$ 136	\$ 187
Interest paid	\$ 2,255	\$ 1,532	\$ 399	\$ 1,566
<b>Significant non-cash activities:</b>				
Sponsor contributed capital	\$ —	\$ 88,363	\$ —	\$ —

The accompanying notes are an integral part of the consolidated financial statements

# Cambium Networks Corporation

## Notes to Consolidated Financial Statements

### 1. Business and significant accounting policies

#### ***Business***

Cambium Networks Corporation (“Cambium” or the “Company”), incorporated under the laws of the Cayman Islands, is a holding company whose principal operating entities are Cambium Networks, Ltd. (UK), Cambium Networks, Inc. (USA), and Cambium Networks Consulting Private Limited (India). On October 28, 2011, Cambium acquired the point-to-point (“PTP”) and point-to-multi-point (“PMP”) businesses from Motorola Solutions, Inc. The acquisition was funded by investment funds affiliated with Vector Capital (“Sponsor”) and Cambium became the renamed entity subsequent to the acquisition. We provide wireless broadband networking solutions for network operators, including medium-sized wireless internet service providers, enterprises and government agencies.

The Company operates on a calendar year ending December 31. As such, all references to 2016 and 2017 contained within these notes relate to the calendar year, unless otherwise indicated.

#### ***Basis of presentation***

The Company’s consolidated financial statements and accompanying notes are prepared in accordance with accounting principles generally accepted in the United States of America (“GAAP”) and include the accounts of Cambium and its wholly-owned subsidiaries. The effects of transactions among consolidated entities have been eliminated to arrive at the consolidated amounts.

#### ***Unaudited interim financial information***

The accompanying consolidated balance sheet as of March 31, 2018, the consolidated statements of income, cash flows and of comprehensive income for the three months ended March 31, 2017 and 2018, the consolidated statement of shareholders’ deficit for the three months ended March 31, 2018 and the related footnote information are unaudited. The unaudited interim consolidated financial statements have been prepared on the same basis as the annual financial statements and, in the opinion of management, reflect all adjustments, which comprise only normal recurring adjustments, necessary to state fairly the Company’s financial position as of March 31, 2018 and results of operations and cash flows for the three months ended March 31, 2017 and 2018.

#### ***Unaudited pro forma information***

The accompanying unaudited pro forma consolidated balance sheet as of March 31, 2018 has been prepared to give effect to the return of capital and accumulated yield in the recapitalization to be effected in connection with the Company’s proposed initial public offering as if the recapitalization occurred at March 31, 2018. As of December 31, 2017, there remained a balance of \$44.0 million of unreturned capital and accumulated yield, which accrues an 8% yield.

In the accompanying consolidated statements of income, the unaudited pro forma basic and diluted net earning (loss) per share for the year ended December 31, 2017 and the three months ended March 31, 2018 has been prepared to give effect to the return of capital and accumulated yield in connection with the recapitalization on the weighted average shares as if the recapitalization occurred on January 1, 2017.

#### ***Use of accounting estimates***

The preparation of consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of



## [Table of Contents](#)

contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Estimates and assumption are used for, but not limited to, the allocation of selling prices in multiple deliverable arrangements, provision for excess and obsolete inventory, allowance for doubtful accounts, provision for warranty claims, useful lives of long-lived assets and impairment assessments. The Company evaluates these estimates on an on-going basis. The Company bases estimates on historical experience and on various other assumptions that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

### **Segments**

Management has determined that it operates as one reportable unit and one operating segment as it only reports financial information on an aggregate and consolidated basis to its Chief Executive Officer, who is the Company's chief operating decision maker. Decisions about resource allocation or operating performance assessments are not made below a total company level. Consequently, impairment testing is performed at the consolidated level as one unit. See Note 16 — Segment information, revenues by geography and significant customers for further discussion.

### **Recognition of revenues**

Revenues consist primarily of revenues from the sale of hardware products with essential embedded software. Revenues also include limited amounts for software products and extended warranty on hardware products. Substantially all products are sold through distributors and other channel partners, such as resellers and systems integrators.

### **ASC 606**

The Company adopted ASC 606 and all the related amendments on January 1, 2018, applying the modified retrospective method to all contracts not completed as of the date of adoption. The Company assessed the impact of ASC 606 using the prescribed 5-step model and based on this assessment, concluded the recognition of revenue under ASC 606 is generally consistent with how revenue was being recognized prior to the adoption of the new standard. Prior to the adoption of ASC 606, the Company recognized revenue under ASC 605, *Revenue Recognition*.

In accordance with ASC 606, the Company recognizes revenue to reflect the transfer of control of promised products or services to customers in an amount that reflects the consideration to which the Company expects to be entitled in exchange for products or services.

The Company accounts for a contract when it has approval and commitment from both parties, the rights of the parties are identified, payment terms are identified, the contract has commercial substance and collectability of consideration is probable. It is the Company's customary business practice to obtain a signed legal document as evidence of an arrangement.

The Company identifies its distinct performance obligations under each contract. A performance obligation is a promise in a contract to transfer a distinct product or service to the customer. Hardware products, software products, and extended warranty on hardware products have been identified as separate and distinct performance obligations.

The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring products or services to a customer. Exchanges made as part of the Company's stock rotation program meet the definition of a right of return in ASC 606. An adjustment to revenue is made to adjust the

## [Table of Contents](#)

transaction price to exclude the consideration related to products expected to be returned. The Company records an asset at the carrying amount of the estimated stock returns and a liability for the estimated amount expected to be refunded to the customer. The transaction price also excludes other forms of consideration provided to the customer, such as volume-based rebates and cooperative marketing allowances.

The Company recognizes revenue when, or as, it satisfies a performance obligation by transferring control of a promised product or service to a customer. Revenue from hardware products transferred at a point in time is recognized when obligations under the terms of the contract are satisfied. Generally, this occurs when the transfer of control of the asset, which is at the time of shipment. Software revenue is from perpetual license software and is recognized at the point in time that the software is available to the customer. Extended warranty on hardware products is a performance obligation that is satisfied over time beginning on the effective date of the warranty period and ending on the expiration of the warranty period. The Company recognized revenue on extended warranties on a straight-line basis over the warranty period.

### **ASC 605**

For 2016 and 2017, under ASC 605, the Company recognizes revenue when it is realized or realizable and earned. The Company considers revenue realized or realizable and earned when it has persuasive evidence of an arrangement, delivery has occurred, the sales price is fixed or determinable and collectability is reasonably assured. Delivery does not occur until products have shipped to the customer, risk of loss has transferred to the customer, and either customer acceptance has been obtained, customer acceptance provisions have lapsed or the Company has objective evidence that the criteria specified in the customer acceptance provisions have been satisfied. The sales price is considered to be fixed or determinable when all contingencies related to the sale have been resolved.

Hardware revenue is generally recognized at the time of shipment, provided that all other revenue recognition criteria have been met including transfer of risk to the customer and fulfilling all Company obligations that effect customer acceptance.

Software revenue is from perpetual license software and recognized at inception, typically at the point of making the software available to the customer if all revenue recognition criteria have been met. Supplemental management tools, including cnMaestro, LINKPlanner and cnArcher applications, are provided to help network operators design, install, and manage their networks, and as a means of driving sales of hardware products. The Company presently offers these applications without additional charge to the customer, as these applications are not essential for the operation of its products.

The Company provides a standard one-year warranty on our hardware products that includes access to telephone and internet support and is included in the price of the product. The cost of providing the standard warranty is insignificant. The Company also offers an extended warranty that extends the standard warranty on most of its products for up to four additional years; a limited lifetime warranty on select hardware products that extends warranty coverage to seven years; and an all risks advance replacement warranty covering additional types of equipment damage not covered by its standard warranty. We recognize revenue on extended warranties on a straight-line basis over the contractual period. Revenue is recognized net of volume-based rebates and cooperative marketing allowances that the Company provides to its distributors.

Deferred revenues include advance payments received from customers for hardware with embedded essential software, and extended warranty. Deferred revenues include both current and non-current components with the non-current component anticipated to be recognized more than one year from the reporting date.

The Company includes freight billed to customers in revenues and the cost of freight in cost of revenues.

## [Table of Contents](#)

### *Multiple-deliverable arrangements*

The Company enters into revenue arrangements that may consist of multiple deliverables containing hardware with embedded essential software and extended warranty.

Under ASC 606, the Company determines if the contract includes multiple performance obligations and allocates the transaction price to each performance obligation on a relative standalone selling price basis for each distinct product or service in the contract. The best evidence of standalone selling price is the observable price of a product or service when the Company sells that product or service separately in similar circumstances and to similar customers. If a standalone price is not directly observable, the Company estimates the transaction price allocated to each performance obligation using the expected costs plus a margin approach.

Prior to the adoption of ASC 606, the Company applied guidance in ASC 605 to determine if the arrangement qualifies as a multiple-deliverable agreement for separability and allocation of the revenue. For multiple-deliverable arrangements, deliverables are separated into more than one unit of accounting when: (i) the delivered element(s) have value to the customer on a stand-alone basis and (ii) delivery of the undelivered element(s) is probable and substantially in the control of the Company. In these arrangements, the Company generally allocates revenue to all deliverables based on their relative selling prices, applying an estimated selling price as our best estimate of fair value.

### **Cash**

The Company deposits cash with financial institutions that management believes are of high credit quality. The Company's cash consists primarily of U.S. dollar denominated demand accounts.

### **Receivables and concentration of credit risk**

Trade accounts receivable are recorded at invoiced amounts, net of the allowance for doubtful accounts. The Company considers the credit risk of all customers and regularly monitors credit risk exposures in its trade receivables. The Company's standard credit terms with their customers are generally net 30 to 60 days. The Company had two customers representing more than 10% of trade receivables at December 31, 2016 and 2017 and March 31, 2018 (unaudited). In addition, the Company had three customers representing more than 10% of revenues for the years ended December 31, 2016 and 2017 and for the three months ended March 31, 2017 and 2018 (unaudited). Refer to Note 16 – Segment information, revenues by geography and significant customers for more information.

The Company records an allowance for doubtful accounts for estimated probable losses on uncollectible accounts receivable. In estimating the allowance, management considers the aging of the accounts receivable, the Company's historical write offs, the credit worthiness of each distributor based on payment history, and general economic conditions, among other factors.

### **Inventory**

The Company's inventories are primarily finished goods for resale and, to a lesser extent, raw materials, which have been either consigned to the Company's third-party manufacturers or are held by the Company. Inventories are stated at the lower of cost and net realizable value. In determining the cost of raw materials, consumables and goods purchased for resale, the weighted average purchase price is used. For finished goods, cost is computed as production cost including capitalized inbound freight costs.

The valuation of inventory also requires the Company to estimate excess or obsolete inventory. The determination of excess or obsolete inventory is estimated based on a comparison of the quantity and cost of

inventory on hand to the Company's forecast of customer demand. Any adjustments to the valuation of inventory are included in cost of revenues.

### **Property and equipment**

Per ASC 360, *Property, Plant, and Equipment*, property and equipment are stated at cost. The Company calculates depreciation expense using the straight-line method over the estimated useful lives of each asset based on its asset class. Leasehold improvements are amortized over the shorter of their useful life or the lease term. See Note 3—Balance sheet components for the useful lives for each asset class.

Upon retirement or disposition, the asset cost and related accumulated depreciation are removed with any gain or loss recognized in the statement of income. The Company does not have any asset retirement obligations associated with commitments to return property subject to operating leases to original condition upon lease termination.

### **Software**

Software may be purchased or developed internally for internal use. Costs related to internal use software are accounted for in accordance with ASC 350-40, *Internal Use Software* and ASC 350-50, *Website Development Costs*, where the expected life is greater than one year. Costs are expensed as incurred during the preliminary project stage of an internal use software project. Cost are capitalized once the project has been approved by management and is in the application development stage. Post implementation/operation costs, such as maintenance and training costs, are expensed as incurred. Any costs incurred to provided upgrades or enhancements are capitalized only if they provide additional functionality that did not previously exist.

Amortization of internal use software begins when the software is ready for internal use and is amortized over its estimated useful life. The amortization expense for internal use software is computed using the straight-line method typically over three to five years.

Costs related to certain software, which is available for sale, are capitalized in accordance with ASC 985-20, *Costs of Software to be Sold, Leased, or Marketed*, when the resulting product reaches technological feasibility. The Company generally determines technological feasibility when it has a detailed program design that takes product function, feature and technical requirements to their most detailed, logical form and the product is ready for coding. The Company does not typically capitalize costs related to the development of first generation product offerings as technological feasibility generally coincides with general availability of the software.

Amortization of software costs to be sold or marketed externally begins when the product is available for sale to customers and is amortized over its estimated useful life, which is determined on a product-by-product basis. The amortization expense for available for sale software is computed using the straight-line method typically over three years.

### **Goodwill and intangible assets**

Goodwill is measured at cost and is not amortized. Intangible assets acquired, either individually or with a group of other assets, are initially recognized and measured at cost. The Company uses third-party specialists to assist management to determine fair values and estimated useful lives for intangible assets acquired in business combinations. Intangible assets with finite useful lives are amortized on a straight-line basis over their estimated useful lives of between 5 and 18 years. The Company has no intangible assets with indefinite lives.

In accordance with ASC 350, *Goodwill and Other*, the Company assesses goodwill for impairment at least annually. For 2016 and 2017, the Company tested goodwill for impairment at December 31 and whenever events or circumstances that would more likely than not reduce the fair value below its carrying value.

## [Table of Contents](#)

Annual impairment testing is completed at the reporting unit level. Management has concluded the Company operates as one reporting unit and one operating segment for annual impairment testing. Refer to Note 16—Segments.

In completing its impairment evaluations, the Company first assesses qualitative factors to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount, including goodwill. In performing this qualitative assessment, the Company assesses relevant events and changes in circumstances, including industry and market conditions, observable earnings before interest, taxes, depreciation and amortization (“EBITDA”) multiples for peer companies, operating results, business plans, and entity-specific events, that would affect the fair value or the carrying amount of a reporting unit. If it is more likely than not that the fair value of a reporting unit is less than its carrying value, the fair value of the reporting unit is compared to its carrying value. If the carrying amount of a reporting unit is greater than zero and its fair value exceeds its carrying amount, goodwill of the reporting unit is not considered impaired. If the fair value of the reporting unit is less than its carrying value, the Company would perform a hypothetical purchase price allocation based on the reporting unit's fair value to determine the implied fair value of the reporting unit's goodwill. Any excess of the carrying value over the implied fair value would be charged to operating expense as an impairment loss. Implied fair value is determined using a combination of present value techniques and market prices of comparable businesses.

### ***Impairment of long-lived assets***

The Company evaluates its long-lived assets, including property and equipment and intangible assets, for impairment whenever events or changes in circumstances indicate that the carrying value of these assets may not be recoverable. An impairment loss is recognized when the net book value of such assets exceeds the estimated future undiscounted cash flows attributable to the assets or asset group. If impairment is indicated, the asset is written down to its estimated fair value. The Company did not recognize any impairment losses for 2016 and 2017 or for the three months ended March 31, 2018 (unaudited).

### ***Leases***

The Company has both cancelable and noncancelable operating leases. All leases are classified in accordance with guidance in ASC 840, *Leases*. For any leases that contain rent escalation or rent concession provisions, the Company records the total rent expense during the lease term on a straight-line basis over the term of the lease. The Company records the difference between the rent paid and the straight-line rent as an increase or decrease to the deferred rent liability included in accrued liabilities in its consolidated balance sheets.

### ***Product warranties***

The Company offers a standard one-year warranty on most of its products, and records a liability within current liabilities for the estimated future costs associated with potential warranty claims. The Company also offers an extended warranty that extends the standard warranty on most products for up to four additional years; a limited lifetime warranty on select hardware products that extends warranty coverage to seven years; and an all risks advance replacement warranty on additional types of equipment damage not covered by its standard warranty. Provisions for warranty claims are recorded at the time products are sold based on historical experience factors including product failure rates, material usage, and service delivery cost incurred in correcting product failures. These provisions are reviewed and adjusted by management periodically to reflect actual and anticipated experience. The warranty costs are reflected in the Company's consolidated statements of income within cost of revenues. In certain circumstances, the Company may have recourse from its contract manufacturers for replacement cost of defective products, which it also factors into its warranty liability assessment.

### **Income taxes**

The Company accounts for income taxes under the asset and liability method, which requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been included in its financial statements. Under this method, deferred tax assets and liabilities are determined on the basis of the differences between the financial statement carrying amount and the tax bases of assets and liabilities using enacted income tax rates in effect for the year in which the differences are expected to be recovered or settled. The effect of a change in income tax rates on deferred tax assets and liabilities is recognized in income in the period that includes the enactment date.

The Company recognizes deferred tax assets to the extent that the Company believes these assets are more likely than not to be realized. In making such a determination, the Company considers all available positive and negative evidence, including future reversals of existing taxable temporary differences, projected future taxable income, tax-planning strategies, and results of recent operations. If the Company determines that it would be able to realize its deferred tax assets in the future in excess of their net recorded amount, the Company would make an adjustment to the deferred tax asset valuation allowance, which would reduce the income tax expense.

The Company may be subject to income tax audits in all of the jurisdictions in which it operates and, as a result, must also assess exposures to any potential issues arising from current or future audits of current and prior years' tax returns. Accordingly, the Company must assess such potential exposures and, where necessary, provide for any expected loss. The Company recognizes the benefit of a tax position if it is more likely than not to be sustained. Recognized tax positions are measured at the largest amount more likely than not of being realized upon settlement. To the extent that the Company establishes a liability, its income tax expense would be increased. If the Company ultimately determines that payment of these amounts is unnecessary, it reverses the liability and recognizes an income tax benefit during the period in which new information becomes available indicating that the liability is no longer necessary. The Company records an additional income tax expense in the period in which new information becomes available indicating that the income tax liability is greater than its original estimate.

### **Share-based compensation**

The Company accounts for employee share-based compensation in accordance with the guidance in ASC 718, *Share-based Payments* by measuring and recognizing compensation expense for all share-based payments based on estimated grant date fair values for equity settled awards and year-end fair values for cash settled awards. Equity-settled and cash-settled awards granted to employees by the Company include both time-based and performance-based awards and are subject to the achievement of varying participation thresholds and contingent conditions prior to being eligible to participate in distributions from VCH, L.P. As of March 31, 2018, both equity-settled and cash-settled awards had not met these minimum participation thresholds. Accordingly, the Company has not recognized any share-based compensation expense in its consolidated financial statements. The Company continues to review these participation thresholds and conditions to determine when share-based compensation expense will be recognized.

### **Contingencies**

In accordance with ASC 450, *Contingencies*, the Company periodically evaluates all pending or threatened contingencies and any commitments, if any, that are reasonably likely to have a material adverse effect on its results of operations, financial position or cash flows. Liabilities for loss contingencies arising from claims, assessments, litigation, fines, penalties and other sources are recorded when it is probable that a liability has

## [Table of Contents](#)

been incurred and the amount can be reasonably estimated. Legal costs incurred in connection with loss contingencies are expensed as incurred.

### **Foreign currency translation**

The Company records any gain and loss associated with foreign currencies in accordance with ASC 830, *Foreign Currency Matters*. The reporting currency of the Company is the U.S. dollar and the functional currency is the local currency of each operating subsidiary other than for Cambium Networks, Ltd. (UK) for which the functional currency is the U.S. dollar. Local currency denominated monetary assets and liabilities are translated at exchange rates in effect at the balance sheet date, and revenues, costs and expenses are translated at the average exchange rates in effect during the applicable period. The Company recognizes foreign exchange gains and losses in other expense on its consolidated statements of income and accumulated other comprehensive income on its consolidated balance sheets.

### **Research and development costs**

Research and development expenses consist primarily of salary and benefit expenses for employees and contractors engaged in research, design and development activities, as well as costs for prototypes, facilities and travel costs. The Company also incurs research and development costs associated with the development of software for both internal use and to be marketed externally. Research and development costs, other than those associated with the development of software that meet the criteria for capitalization, are expensed as incurred.

For the years ended December 31, 2016 and 2017, the Company expensed \$26.3 million and \$32.2 million, respectively, of research and development costs. For the three months ended March 31, 2017 and 2018, the Company expensed \$7.0 million and \$9.4 million, respectively, of research and development costs (unaudited).

### **Recently adopted accounting pronouncements**

In May 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update No. 2014-09, *Revenue from Contracts with Customers* (Topic 606), which supersedes the revenue recognition requirements in ASC 605, *Revenue Recognition* (Topic 605). The Company adopted ASC 606 on January 1, 2018 using the modified retrospective transition method which required an adjustment to accumulated deficit for the cumulative effect of applying ASC 606 to active contracts as of the adoption date. The cumulative effect of applying ASC to active contracts as of the adoption date was an increase to accumulated deficit of \$0.9 million (unaudited). See Note 18 for further details on revenue.

Effective January 1, 2018, the Company adopted ASU No. 2016-16, *Income Taxes (Topic 740): Intra-Entity Transfers of Assets Other Than Inventory* ("ASU No. 2016-16"). ASU No. 2016-16 was issued to improve the accounting for the income tax consequences of intra-entity transfers of assets other than inventory. Previously, U.S. GAAP prohibited the recognition of current and deferred income taxes for an intra-entity asset transfer until the asset has been sold to an outside party which has resulted in diversity in practice and increased complexity within financial reporting. ASU No. 2016-16 requires an entity to recognize the income tax consequences of an intra-entity transfer of an asset other than inventory when the transfer occurs and does not require new disclosures. The adoption of ASU No. 2016-16 did not have a material impact on the Company's consolidated financial statements.

Effective January 1, 2018, the Company adopted ASU No. 2017-09, *Compensation—Stock Compensation (Topic 718): Scope of Modification Accounting* ("ASU No. 2017-09"). The amendment amends the scope of modification accounting for share-based payment arrangements, provides guidance on the types of changes to



## [Table of Contents](#)

the terms or conditions of share-based payment awards to which an entity would be required to apply modification accounting under ASC Topic 718, Compensation—Stock Compensation. Upon adoption, the Company applied the prospective method and will account for future modifications, if any, under this guidance. The adoption of ASU No. 2017-09 did not have a material impact on the Company's consolidated financial statements.

Effective January 1, 2018, the Company adopted ASU No. 2016-15, Statement of Cash Flows (Topic 230): Classification of Certain Cash Receipts and Cash Payments ("ASU No. 2016-15"). ASU No. 2016-15 provides guidance on the following eight specific cash flow classification issues: (1) debt prepayment or debt extinguishment costs; (2) settlement of zero-coupon debt instruments or other debt instruments with coupon interest rates that are insignificant in relation to the effective interest rate of the borrowing; (3) contingent consideration payments made after a business combination; (4) proceeds from the settlement of insurance claims; (5) proceeds from the settlement of corporate-owned life insurance policies, including bank-owned life insurance policies; (6) distributions received from equity method investees; (7) beneficial interests in securitization transactions; and (8) separately identifiable cash flows and application of the predominance principle. The adoption of ASU No. 2016-15 did not have a material impact on the Company's consolidated financial statements and related disclosures.

Effective January 1, 2018, the Company adopted ASU No. 2017-04, Intangibles—Goodwill and Other (Topic 350): Simplifying the Test for Goodwill Impairment ("ASU No. 2017-04"), to eliminate the second step of the goodwill impairment test. ASU No. 2017-04 requires an entity to measure a goodwill impairment loss as the amount by which the carrying value of a reporting unit exceeds its fair value. Additionally, an entity should include the income tax effects from any tax-deductible goodwill on the carrying value of the reporting unit when measuring a goodwill impairment loss, if applicable. The Company will apply ASU No. 2017-04 in future goodwill impairment testing. The adoption of ASU No. 2017-04 did not have a material impact on the Company's condensed consolidated financial statements and related disclosures.

### **Recently issued accounting pronouncements**

In February 2018, the FASB issued ASU 2018-02, *Income Statement – Reporting Comprehensive Income: Reclassification of Certain Tax Effect from Accumulated Other Comprehensive Income*. This ASU provides an option to reclassify stranded tax effects within accumulated other comprehensive income ("AOCI") to retained earnings in each period in which the effect of the change in the U.S. federal corporate income tax rate in the 2017 U.S. Tax Cuts and Jobs Act (or portion thereof) is recorded. The ASU requires disclosure of a description of the accounting policy for releasing income tax effect from AOCI, whether election is made to reclassify the stranded income tax effects from the 2017 U.S. Tax Cuts and Job Act, and information about the income tax effects that are reclassified. This ASU is effective for annual and interim reporting periods beginning after December 15, 2018. The Company is currently assessing the impact the adoption of ASU 2018-02 will have on its consolidated financial statements.

In January 2017, the Financial Accounting Standards Board ("FASB") issued ASU 2017-04, *Simplifying the Test for Goodwill Impairment*, an update that eliminates the requirement to determine goodwill impairment by calculating the implied fair value of goodwill by assigning the fair value of a reporting unit to all of its assets and liabilities as if that reporting unit had been acquired in a business combination. Instead, a company should recognize any goodwill impairment by comparing the fair value of a reporting unit to its carrying value. ASU 2017-04 is effective for annual or interim goodwill impairment tests in fiscal years beginning after December 15, 2019. Early adoption is permitted for interim and annual goodwill impairment tests performed on testing dates after January 1, 2017. The adoption of ASU 2017-04 reduces the complexity surrounding the evaluation of the Company's goodwill for impairment.



## [Table of Contents](#)

In June 2016, the FASB issued ASU 2016-13, *Financial Instruments—Credit Losses* (Topic 326). ASU 2016-13 sets forth an expected credit loss model which requires the measurement of expected credit losses for financial instruments based on historical experience, current conditions and reasonable and supportable forecasts. This replaces the existing incurred loss model and is applicable to the measurement of credit losses on financial assets measured at amortized cost, and certain off-balance sheet credit exposures. ASU 2016-13 is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2019, with early adoption permitted. Adoption will require a modified retrospective transition. This ASU is effective for the Company in the first quarter of fiscal 2020. The Company is currently assessing the impact of ASU 2016-13 on its consolidated financial statements.

In February 2016, the FASB issued ASU 2016-02, *Leases* (codified as ASC 842), which sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract (i.e., lessees and lessors). The standard introduces a new lease model that will require most leases to be recorded on the balance sheet and eliminates the required use of tests in current U.S. GAAP for determining lease classification. The new standard requires lessors to account for leases using an approach that is substantially equivalent to existing guidance for sales-type leases, direct financing leases and operating leases. This standard is effective for fiscal years beginning after December 15, 2018 and interim periods within those fiscal years. Companies are permitted to adopt the standard early and a modified retrospective application is permitted. The new guidance requires adoption on a retrospective basis unless it is impracticable to apply, in which case the company would be required to apply the amendments prospectively as of the earliest date practicable. The Company is currently evaluating the impact of adopting this new guidance on its consolidated financial statements.

## **2. Fair value of financial instruments**

ASC 820, *Fair Value Measurements and Disclosures* ("ASC 820") defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. ASC 820 establishes a fair value hierarchy for valuation inputs that gives the highest priority to quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. ASC 820 requires the Company to use observable market data, when available, and to minimize the use of unobservable inputs when determining fair value. The fair value hierarchy prioritizes the inputs into three levels that may be used in measuring fair value as follows:

*Level 1*—observable inputs which include quoted prices in active markets for identical assets or liabilities.

*Level 2*—inputs which include observable inputs other than Level 1, such as quoted prices for similar assets or liabilities, quoted prices for identical or similar assets or liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the asset or liability.

*Level 3*—inputs which include unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the underlying asset or liability. Level 3 assets and liabilities include those whose fair value measurements are determined using pricing models, discounted cash flow methodologies or similar valuation techniques, as well as significant management judgment or estimation.

Financial assets and liabilities are classified, in their entirety, based on the lowest level of input that is significant to the fair value measurement. Our assessment of the significance of a particular input, to the fair value measurement requires judgment, and may affect the valuation of assets and liabilities and their placement within the fair value hierarchy levels.

[Table of Contents](#)**Cash**

The fair values of cash approximate their carrying values.

**External debt**

The fair value of the external debt approximates its carrying value because the terms and conditions approximate the terms and conditions of current market debt available to the Company. The external debt was estimated based on the current rates offered to the Company for debt with the same remaining maturities.

As of December 31, 2016 and 2017 and March 31, 2018, the fair value hierarchy for the Company's financial assets and financial liabilities was as follows (in thousands):

	December 31, 2016				December 31, 2017			
	Fair value	Level I	Level II	Level III	Fair value	Level I	Level II	Level III
<b>Assets:</b>								
Cash	\$ 14,627	\$14,627	\$ —	\$ —	\$ 7,377	\$7,377	\$ —	\$ —
<b>Liabilities:</b>								
Debt	\$ 36,515	\$ —	\$36,515	\$ —	\$ 90,000	\$ —	\$90,000	\$ —

	March 31, 2018			
	Fair Value	Level I	Level II	Level III
<b>(unaudited)</b>				
<b>Assets:</b>				
Cash	\$ 4,492	\$4,492	\$ —	\$ —
<b>Liabilities:</b>				
Debt	\$ 95,875	\$ —	\$95,875	\$ —

The Company assesses its classifications within the fair value hierarchy at each reporting period. There were no transfers between any levels of the fair value hierarchy during the years ended December 31, 2016 or 2017 and for the three months ended March 31, 2018 (unaudited).

**3. Balance sheet components****Receivables**

Receivables are recorded at invoiced amounts, net of the allowance for doubtful accounts. The receivables activity was as follows (in thousands):

	December 31,		March 31,
	2016	2017	2018
			<b>(unaudited)</b>
Trade accounts receivable	\$40,839	\$52,323	\$ 53,543
Other receivables	82	79	372
Total receivables	40,921	52,402	53,915
Less: Allowance for doubtful accounts	(646)	(823)	(840)
Receivables, net	\$40,275	\$51,579	\$ 53,075

## [Table of Contents](#)

The allowance for doubtful accounts activity was as follows (in thousands):

	<u>December 31,</u>		<u>March 31,</u>
	<u>2016</u>	<u>2017</u>	<u>2018</u>
Beginning balance	\$ 595	\$ 646	<b>(unaudited)</b> \$ 823
Charged to expense	51	293	17
Amounts written-off	—	(116)	—
Ending balance	<u>\$ 646</u>	<u>\$ 823</u>	<u>\$ 840</u>

### **Inventories**

Inventories consisted of the following (in thousands):

	<u>December 31,</u>		<u>March 31,</u>
	<u>2016</u>	<u>2017</u>	<u>2018</u>
Finished goods	\$23,690	\$23,147	<b>(unaudited)</b> \$ 27,765
Raw materials	1,547	1,504	1,259
Gross inventory	25,237	24,651	29,024
Less: Excess and obsolete provision	(2,576)	(2,766)	(3,127)
Inventories, net	<u>\$22,661</u>	<u>\$21,885</u>	<u>\$ 25,897</u>

The following table reflects the activity in the Company's inventory excess and obsolete provision (in thousands):

	<u>December 31,</u>		<u>March 31,</u>
	<u>2016</u>	<u>2017</u>	<u>2018</u>
Beginning balance	\$ 3,123	\$2,576	<b>(unaudited)</b> \$ 2,766
Inventory written off	(2,350)	(100)	(77)
Increase in excess and obsolete provision	1,803	290	438
Ending balance	<u>\$ 2,576</u>	<u>\$2,766</u>	<u>\$ 3,127</u>

### **Property and equipment**

Property and equipment, net consisted of the following (in thousands):

		<u>December 31,</u>		<u>March 31,</u>
	<u>Useful life</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Equipment and tooling	3 to 5 years	\$11,306	\$ 13,988	<b>(unaudited)</b> \$ 14,817
Computer equipment	3 to 5 years	1,444	2,114	2,305
Furniture and fixtures	10 years	286	389	472
Total cost		13,036	16,491	17,594
Less: Accumulated depreciation		(9,201)	(11,270)	(11,840)
Property and equipment, net		<u>\$ 3,835</u>	<u>\$ 5,221</u>	<u>\$ 5,754</u>

[Table of Contents](#)

Total depreciation expense for the years ended December 31, 2016 and 2017 was \$1.7 million and \$2.1 million, respectively. For the three months ended March 31, 2017 and 2018, depreciation expense was \$0.5 million and \$0.6 million, respectively (unaudited).

**Software**

Software consisted of the following (in thousands):

	Useful life	December 31, 2016			December 31, 2017		
		Gross carrying amount	Accumulated amortization	Net balance	Gross carrying amount	Accumulated amortization	Net balance
Acquired and Software for internal use	3 to 7 years	\$ 12,514	\$ (9,129)	\$ 3,385	\$ 14,027	\$ (11,080)	\$ 2,947
Software marketed for external sale	3 years	—	—	—	1,072	(47)	1,025
<b>Total</b>		<b>\$ 12,514</b>	<b>\$ (9,129)</b>	<b>\$ 3,385</b>	<b>\$ 15,099</b>	<b>\$ (11,127)</b>	<b>\$ 3,972</b>

	Useful Life	March 31, 2018 (unaudited)		
		Gross Carrying Amount	Accumulated Amortization	Net Balance
Acquired and Software for internal use	3 to 7 years	\$ 14,282	\$ (11,576)	\$ 2,706
Software marketed for external sale	3 years	1,144	(116)	1,028
<b>Total</b>		<b>\$ 15,426</b>	<b>\$ (11,692)</b>	<b>\$ 3,734</b>

Amortization expense recognized on acquired and internal use software is included in operating expenses in the consolidated statements of income. For the years ended December 31, 2016 and 2017, amortization expense was \$1.7 million and \$2.0 million, respectively. For the three months ended March 31, 2017 and 2018, amortization expense was \$0.5 million and \$0.5 million, respectively (unaudited).

The Company began capitalizing costs associated with software marketed for external sale in 2017. Amortization expense recognized on software to be sold or marketed externally for the year ended December 31, 2017 was \$0.1 million and is included in cost of revenues on the consolidated statements of income. For the three months ended March 31, 2018, amortization expense was \$0.1 million (unaudited).

Based on capitalized software assets at December 31, 2017, and assuming no impairment of these assets, estimated amortization expense is expected to approximate the following in future years (in thousands):

Year ending December 31,	Acquired and internal use software	Software marketed for external use	Total
2018	\$ 1,666	\$ 325	\$1,991
2019	320	358	678
2020	320	310	630
2021	320	32	352
2022	321	—	321
2023 & Thereafter	—	—	—
<b>Total amortization</b>	<b>\$ 2,947</b>	<b>\$ 1,025</b>	<b>\$3,972</b>

**Accrued liabilities**

Accrued liabilities consisted of the following (in thousands):

	<b>December 31,</b>		<b>March 31,</b>
	<b>2016</b>	<b>2017</b>	<b>2018</b>
			<b>(unaudited)</b>
Accrued goods and services	\$ 3,407	\$ 5,428	\$ 6,539
Accrued inventory purchases	4,105	5,509	5,189
Accrued customer rebates	2,784	3,543	4,295
Other	640	594	589
<b>Total</b>	<b>\$10,936</b>	<b>\$15,074</b>	<b>\$ 16,612</b>

**4. Goodwill and other intangibles**

When the Company acquired the trade assets of Motorola Solutions, Inc's wireless point-to-point and point-to-multi-point businesses, the transaction generated goodwill and certain intangible assets. The goodwill associated with this transaction was recorded by Cambium Networks Corporation and allocated to Cambium Networks, Ltd. and Cambium Networks, Inc. using a revenue and asset allocation method. Although goodwill has been allocated to two operating subsidiaries, as noted in Note 16, the Company operates as one reportable unit and operating segment and therefore, goodwill is reported, and impairment testing performed, at the Cambium Networks Corporation consolidated level.

The change in the carrying amount of goodwill was as follows (in thousands):

	<b>December 31,</b>		<b>March 31,</b>
	<b>2016</b>	<b>2017</b>	<b>2018</b>
			<b>(unaudited)</b>
Beginning balance	\$8,060	\$8,060	\$ 8,060
Impairment or other changes	—	—	—
<b>Ending balance</b>	<b>\$8,060</b>	<b>\$8,060</b>	<b>\$ 8,060</b>

The Company completed a qualitative assessment of goodwill for 2016 and 2017. In completing the qualitative assessment, the Company assessed relevant events and changes in circumstances, including industry and market conditions, observable EBITDA multiples for peer companies, operating results, business plans and entity-specific events.

Based on the results of the 2016 and 2017 qualitative impairment tests it was more likely than not that there was no impairment of the Company's goodwill for both periods. Therefore, there were no adjustments to the carrying value of goodwill at December 31, 2016 and 2017. In addition, there were no triggering events or changes in circumstances during 2016 or 2017 and as of March 31, 2018 (unaudited) that would have required a review other than the annual test date.

[Table of Contents](#)

The useful life, gross carrying value, accumulated amortization, and net balance for each major class of definite lived intangible asset at each balance sheet date were as follows (in thousands):

	Useful life	December 31, 2016			December 31, 2017		
		Gross carrying amount	Accumulated amortization	Net balance	Gross carrying amount	Accumulated amortization	Net balance
Unpatented technology	7 years	\$ 14,120	\$ (10,423)	\$ 3,697	\$ 14,120	\$ (12,439)	\$ 1,681
Customer relationships	18 years	11,630	(3,338)	8,292	11,630	(3,984)	7,646
Patents	7 years	11,300	(8,340)	2,960	11,300	(9,955)	1,345
Trademarks	10 years	5,270	(2,723)	2,547	5,270	(3,250)	2,020
<b>Total</b>		<b>\$ 42,320</b>	<b>\$ (24,824)</b>	<b>\$ 17,496</b>	<b>\$ 42,320</b>	<b>\$ (29,628)</b>	<b>\$ 12,692</b>

	Useful Life	March 31, 2018 (unaudited)		
		Gross carrying amount	Accumulated amortization	Net balance
Unpatented technology	7 years	\$ 14,120	\$ (12,943)	\$ 1,177
Customer relationships	18 years	11,630	(4,145)	7,485
Patents	7 years	11,300	(10,359)	941
Trademarks	10 years	5,270	(3,382)	1,888
<b>Total</b>		<b>\$ 42,320</b>	<b>\$ (30,829)</b>	<b>\$ 11,491</b>

Intangible assets are amortized over their expected useful life and none are expected to have significant residual value at end of their useful life. Other intangible amortization expense was \$5.0 million and \$4.8 million during the years ended December 31, 2016 and 2017, respectively. For the three months ended March 31, 2017 and 2018, amortization expense was \$1.1 million and \$1.2 million, respectively (unaudited).

Based on capitalized intangible assets at December 31, 2017, and assuming no impairment of these intangible assets, estimated amortization expense is expected to approximate the following in future years (in thousands):

Year ending December 31,	Amortization
2018	\$ 4,199
2019	1,173
2020	1,173
2021	1,085
2022	646
2023 & Thereafter	4,416
<b>Total amortization</b>	<b>\$ 12,692</b>

## 5. Accrued warranty

The accrued warranty provision is included in other current liabilities on the Company's consolidated balance sheets.

Warranty obligations were as follows (in thousands):

	December 31,		March 31,
	2016	2017	2018
Beginning Balance	\$ 280	\$ 566	\$ 400
Provision increase (decrease), net	286	(166)	45
Ending balance	<u>\$ 566</u>	<u>\$ 400</u>	<u>\$ 445</u>

## 6. External debt

As of March 31, 2018, the Company had \$88.9 million outstanding under its current term loan facility and \$7.0 million in borrowings under its revolving credit facility (unaudited).

The following table reflects the current and non-current portions of the external debt facilities at December 31, 2016 and 2017 and March 31, 2018 (in thousands):

	December 31,		March 31,
	2016	2017	2018
			<b>(unaudited)</b>
Term loan facility	\$16,553	\$90,000	\$ 88,875
Revolving credit facility	19,962	—	7,000
Less debt issuance costs	—	(2,623)	(2,483)
Total debt	<u>36,515</u>	<u>87,377</u>	<u>93,392</u>
Less current portion of term facility	(3,138)	(4,500)	(5,625)
Current portion of debt issuance costs	—	566	567
Total long-term external debt	<u>\$33,377</u>	<u>\$83,443</u>	<u>\$ 88,334</u>

### Secured credit agreements

On March 22, 2017, the Company entered into the second amended and restated credit agreement ("second Amended and Restated Credit Agreement") extending the Company's existing credit facility from October 28, 2018 to March 22, 2022. The second Amended and Restated Credit Agreement provided an aggregate borrowing amount not to exceed \$45.0 million consisting of a term loan facility in the aggregate principal amount of \$35.0 million and a revolving loan facility in an aggregate principal amount of \$10.0 million, including a letter of credit sub-facility in the aggregate availability amount of \$10.0 million. The Company initially borrowed \$30.0 million under the term facility provisions of the second Amended and Restated Credit Agreement.

On December 21, 2017, the Company entered into the third amended and restated credit agreement (as amended and restated, the "Credit Agreement") to refinance the obligations under the Company's existing credit facility, to an aggregate amount of \$100.0 million, consisting of a term loan facility in the aggregate principal amount of \$90.0 million and a revolving loan facility in an aggregate principal amount of \$10.0 million, including a letter of credit sub-facility in the aggregate availability amount of \$5.0 million. The Company may request borrowings under the revolving credit facility until December 21, 2022. The term loan matures and comes due on December 21, 2022.

## [Table of Contents](#)

The proceeds were used to: (i) pay fees and expenses incurred in connection with the refinancing; (ii) payoff the existing senior indebtedness under second Amended and Restated Credit Agreement; (iii) finance the return of capital to the Company's Sponsor, and (iv) provide ongoing working capital and other general corporate purposes. The Credit Agreement includes an accordion feature, permitting the Company on not more than five occasions prior to the fourth anniversary of the date of the Credit Agreement to increase the aggregate amount of the term loan by up to \$40.0 million, the proceeds of which may be used for permitted acquisitions.

The term loan is repayable quarterly as follows: (i) 1.25% of the initial aggregate term loan is payable in each of the first four (4) payment dates following the closing date and (ii) 2.50% of the initial aggregate term loan is payable in each quarter of each year thereafter, with the remaining principal due on maturity on December 21, 2022. In addition, 50% of excess cash, defined as EBITDA less tax, capital expenditure, certain investments, scheduled loan repayments, declared distributions, interest, working capital requirement and other items paid in cash to the extent included as an add back to EBITDA, is payable to the lenders at the end of each year as a repayment of outstanding borrowings.

Interest on the outstanding borrowings is variable based on LIBOR plus the applicable fixed margin of 3.00%. In addition to paying interest on the outstanding principal under the term loan facility, the Company is required to pay a commitment fee in respect of the unutilized commitments under the revolving credit facility, payable quarterly in arrears. The Company is also required to pay letter of credit fees on the maximum amount available to be drawn under all outstanding letters of credit in an amount equal to the applicable margin on LIBOR based borrowings under the revolving credit facility on a per annum basis, payable quarterly in arrears, as well as customary fronting fees for the issuance of letters of credit fees and agency fees.

The Company is permitted to voluntarily reduce the unutilized portion of the commitment amount and repay outstanding loans under the Credit Agreement at any time without premium or penalty, other than customary breakage costs with respect to LIBOR based loans.

Maturities on the long-term external debt outstanding at March 31, 2018 are as follows (unaudited) (in thousands):

<b>Year ending December 31,</b>	
2018 (April to December)	\$ 3,375
2019	9,000
2020	9,000
2021	9,000
2022	58,500
Total	<u>\$88,875</u>

Borrowings under the Agreement are secured by a first-priority lien on substantially all of the Company's assets, the equity interests in the Company's subsidiaries, and any intercompany debt. The Credit Agreement also contains certain customary mandatory prepayment provisions. If certain events, as specified in the Credit Agreement, occur, the Company may be required to repay all or a portion of the amounts outstanding under the Credit Agreement.

The Credit Agreement contains customary affirmative and negative covenants, including covenants that limit or restrict the Company and its subsidiaries' ability to, among other things, incur indebtedness, grant liens, merge or consolidate, dispose of assets, pay dividends or make distributions, make investments, make acquisitions, prepay certain indebtedness, change the nature of its business, enter into certain transactions with affiliates, enter into restrictive agreements, and make capital expenditures, in each case subject to customary exceptions



## [Table of Contents](#)

for a credit facility of this size and type. The Company is also required to maintain a maximum consolidated fixed charge coverage ratio, a maximum consolidated leverage ratio, and a minimum adjusted quick ratio. As of December 31, 2017 and as of March 31, 2018 (unaudited), the Company was in compliance with all affirmative and negative covenants under the Credit Agreement.

Interest expense, including bank charges and amortization of debt issuance costs on the external debt, was \$2.9 million and \$2.2 million in 2016 and 2017, respectively. For the three months ended March 31, 2017 and 2018, interest expense was \$0.5 million and \$1.8 million, respectively (unaudited).

### **7. Loan from Sponsor and capital contribution**

As of December 31, 2016 and 2017, the Company had an outstanding loan payable with its Sponsor as follows (in thousands):

	<b>December 31,</b>	
	<b>2016</b>	<b>2017</b>
Principal	\$62,547	\$ —
Accrued interest	23,120	—
<b>Total loan from Sponsor</b>	<b>\$85,667</b>	<b>\$ —</b>

In October 2011, a subsidiary of the Company issued convertible preferred equity certificates (“CPECs”) to the Sponsor in connection with the purchase of the PTP and PMP businesses from Motorola Solutions, Inc. Under ASC 815-10, the option to convert the CPECs into ordinary shares does not meet the definition of a derivative. Therefore, the CPECs were classified as debt, as they do not provide for net settlement and there is no active market for the shares.

The CPECs have both a fixed and variable yield component. The fixed yield component is 1% per annum. The variable interest rate for each of the years ended December 31, 2016 and 2017 was 7.1%. The variable yield is dependent upon the income obtained from amounts lent to, and equity investment in, certain subsidiaries. The total nominal interest rate for each of the years ended December 31, 2016 and 2017 was 8.1%. The Company has the option to either accrue the interest or cash settle, and since the inception of the CPECs, the Company has elected to accrue the interest. The CPECs are redeemable at the earlier of 49 years after issuance or upon the occurrence of specified events including the realization of certain of the Company’s investments.

On July 31, 2017, in connection with the dissolution of the subsidiary, the CPECs and associated accrued interest were redeemed, and simultaneously the Sponsor made a non-cash capital contribution of \$88.4 million. The \$88.4 million non-cash capital contribution represented principal on the CPECs of \$62.5 million and accrued interest of \$25.9 million, reflecting \$23.1 million of interest accrued through December 31, 2016 and \$2.8 million of additional accrued interest through July 31, 2017. The effect of the non-cash capital contribution is reflected in the Company’s statement of shareholders’ deficit and statements of cash flows. Interest expense on the loan from Sponsor was \$4.7 million and \$2.8 million in 2016 and 2017, respectively.

### **8. Employee benefit plans**

The Company’s employee benefit plans currently consist of a defined contribution plan in the United States and a separate plan in the UK. The Company does not offer any other postretirement benefit plans, such as retiree medical and dental benefits or deferred compensation agreements to its employees or officers.

### **U.S. plan**

U.S. regular, full-time employees are eligible to participate in the Cambium Networks, Inc. 401(k) Plan, which is a qualified defined contribution plan under section 401(k) of the Internal Revenue Service Code. Under the Cambium Networks, Inc. 401(k) Plan, the company contributes a dollar-for-dollar match of the first 4% an employee contributes to the plan. Employees are eligible to participate on the first of the month following their date of hire and begin receiving company contributions three months after they become eligible to participate in the plan. Company matching contributions are made each pay period, but the funds do not vest until the employee's second anniversary of employment with the Company. Employees are always fully vested in their own contributions. All contributions, including the company match, are made in cash and invested in accordance with participants' investment elections. Contributions made by the Company under the Cambium Networks, Inc. 401(k) Plan were \$0.6 million and \$0.7 million for 2016 and 2017, respectively.

### **UK plan**

Regular, full-time UK employees are eligible to participate in the Cambium Networks Ltd Stakeholder Pension Scheme, which is a qualified defined contribution plan. Employees are eligible to participate on the first of the month following receipt of their enrollment form, and eligible employees are automatically enrolled in the plan at a default employee contribution rate of 3% and a company contribution rate of 5% of the employee's basic salary. The company contribution rate increases by 1% for each additional 1% that the employee contributes up to a maximum of 7%. Company matching contributions vest immediately and employees are always fully vested in their own contributions. All contributions, including the company match, are made in cash and deposited in the participant's account each pay period. The total contributed by the Company under this plan was \$0.4 million and \$0.4 million for 2016 and 2017, respectively.

## **9. Other expense**

Other expense of \$0.2 million and \$0.5 million for the years ended December 31, 2016 and 2017, respectively, represents foreign exchange losses. For the three months ended March 31, 2017 and 2018, other expenses were \$0.0 million and \$0.2 million, respectively (unaudited).

## **10. Management incentive compensation**

### **2011 Management incentive compensation plan**

In 2011, the Company adopted a management incentive compensation plan (the "Plan") pursuant to which the Company offers management incentive units ("MIUs") to employees. The MIUs issued as Class B units, which are limited partnership interests in the Company's parent, VCH, L.P.

Under the Plan, the Company may award time-based and performance-based MIUs as Class B units as well as phantom units that provide the holder the same economic benefits of an MIU. The MIUs and phantom units become vested and eligible to participate in partnership distributions as follows:

- **Time-based units:** Vesting of time-based MIUs and phantom units commences on the date of award and continues over a period of forty-eight months. Twenty-five percent (25%) of the units become vested and eligible to participate in partnership distributions on the first anniversary of the award date ("Initial Vesting Date"), and the remaining 75% of the units shall become vested and eligible to participate in partnership distributions ratably on a monthly basis over the thirty-six (36) months following the Initial Vesting Date.
- **Performance-based units:** Performance-based MIUs vest and are eligible to participate in partnership distributions when and if the Class A units in VCH L.P., all of which are held by the Company's Sponsor or its affiliates, achieve a specific equity return.

## [Table of Contents](#)

MIUs and phantom units are not eligible to participate in distributions until the Class A units first receive a specific equity return.

If the employee terminates employment before all participation and eligibility thresholds and criteria are met, all unvested MIUs and phantom units held as of the date of termination automatically expire and are forfeited without any further action required, and all vested units held as of the date of termination are subject to repurchase by VCH, L.P. (solely at its option).

In addition, MIUs and phantom units are subject to achievement of varying participation thresholds prior to becoming eligible to participate in distributions from the limited partnership.

The following table reflects the number of MIUs and phantom units outstanding at December 31, 2015, 2016 and 2017 and March 31, 2018:

<b>MIUs – and phantom units</b>	<b>Number of units (time-based)</b>	<b>Number of units (performance-based)</b>
Balance at December 31, 2015	9,389,996	5,496,093
Granted	716,750	88,500
Forfeitures and cancellations	(783,575)	(200,000)
Balance at December 31, 2016	9,323,171	5,384,593
Granted	716,752	32,500
Forfeitures and cancellations	(196,825)	—
Balance at December 31, 2017	9,843,098	5,417,093
Granted (unaudited)	1,485,000	—
Forfeitures and cancellations (unaudited)	(8,600)	—
Balance at March 31, 2018 (unaudited)	11,319,498	5,417,093

As the MIUs and phantom units are contingent upon the Class A units first achieving a specific equity return and require the holders to be an employee of the Company through a future triggering event, such as a sale of the Company or the transactions contemplated in connection with the Company's proposed initial public offering. The Company has not recorded any compensation expense associated with MIUs and phantom units for the years ended December 31, 2016 and 2017 and for the three months ended March 31, 2018 (unaudited).

The Company will record compensation expense in the period the Company completes a triggering event. As of March 31, 2018, the total grant date fair values for equity settled awards and period-end fair values for cash settled awards were \$10.4 million and \$4.3 million, respectively (unaudited).

The grant date and period-end fair value was determined using the Black-Scholes option pricing model. The following assumptions were used to value the MIUs and phantom units:

	<b>December 31, 2016</b>	<b>December 31, 2017</b>	<b>March 31, 2018 (unaudited)</b>
Dividend yield	—	—	—
Risk-free rate	2.09%	2.27%	2.62%
Weighted average volatility	46.8%	46.8%	46.8%
Expected life (in years)	6.0	6.0	6.0

## [Table of Contents](#)

### **Risk-Free Interest Rate**

The company determined the risk-free interest rate by using a weighted average assumption equivalent to the expected term bases on the U.S. Treasury constant maturity rate as of the date of grant.

### **Volatility**

The Company used an average historical share price volatility of comparable companies to be representative of future share price volatility as the company did not have sufficient trading history for its shares.

### **Expected Term**

Expected term is presumed to be the average of the vesting term and the contractual life of the MIU award.

## **11. Share capital—shares**

The following table reflects the number of shares and their value at December 31, 2015, 2016 and 2017 and March 31, 2018:

	Number of shares	Value (in thousands)
<b>Balance at December 31, 2015</b>	771.79	\$ 772
Shares issued/cancelled	—	—
<b>Balance at December 31, 2016</b>	771.79	772
Shares issued/cancelled	—	—
<b>Balance at December 31, 2017</b>	771.79	\$ 772
Shares issued/cancelled (unaudited)	—	—
<b>Balance at March 31, 2018 (unaudited)</b>	771.79	\$ 772

On October 28, 2011, 771.79 shares, par value \$.01 per share, were issued at an initial subscription price of \$1,000 per share. Holders of these shares are entitled to dividends as declared. As of March 31, 2018, no dividends have been paid (unaudited).

## **12. Noncontrolling interest**

During 2014, the Company's UK subsidiary, Cambium Networks, Ltd., issued 7,000,000 redeemable preference shares at \$1 each to VCH, L.P. The holder of the redeemable preferred shares did not have the right to vote as a shareholder at any general meeting. The preference shares accrued an 8% cumulative dividend from an effective date of April 22, 2014. Accrued and unpaid dividends compounded annually. Dividends were only payable if declared by the directors of Cambium Networks, Ltd. The preference shares were redeemable for their nominal value plus unpaid accrued dividends ("Preference Amount") solely at the discretion of the issuer. Upon liquidation of Cambium Networks, Ltd., the holder of the redeemable preferred shares was entitled to the Preference Amount in priority to any amount available for distribution to the shareholders of Cambium Networks, Ltd. but was not entitled to any further share of profit. On December 21, 2017, the Company redeemed the preference shares for an aggregate of \$9.3 million. The accrued dividends are shown as net income attributable to noncontrolling interest on the Company's consolidated statements of income. The preference shares and their related accrued dividends are presented as noncontrolling interest in the Company's consolidated balance sheets. The impact of the noncontrolling interest on equity is included in the consolidated statements of changes in shareholders' deficit.

## [Table of Contents](#)

The following table reflects the number of preference shares, their value and accrued dividends at December 31, 2015, December 31, 2016 and December 31, 2017 (in thousands, except number of shares):

	Number of shares	Value	Accrued dividends	Total
<b>Balance at December 31, 2015</b>	7,000,000	\$ 7,000	\$ 979	\$ 7,979
Accrued dividends	—	—	638	638
<b>Balance at December 31, 2016</b>	7,000,000	7,000	1,617	8,617
Accrued dividends	—	—	671	671
Distribution to noncontrolling interest	(7,000,000)	(7,000)	(2,288)	(9,288)
<b>Balance at December 31, 2017</b>	—	\$ —	\$ —	\$ —

### 13. Earnings per share

The following table presents basic and diluted earnings per share for the years ended December 31, 2016 and 2017, and the three months ended March 31, 2017 and 2018 (in thousands, except share and per share amounts):

	December 31,		Three Months Ended March 31,	
	2016	2017	2017	2018
				(unaudited)
<b>Numerator:</b>				
Net income attributable to shareholders	\$ 2,275	\$ 9,128	\$ 2,672	\$ (227)
<b>Denominator:</b>				
Shares outstanding used in computing net income attributable to shareholders, basic and diluted	771.79	771.79	771.79	771.79
Net income per share attributable to shareholders, basic and diluted	\$ 2,947.69	\$ 11,827.05	\$ 3,462.08	\$ (294.12)

Since the Company does not have any dilutive equity securities, basic net income per share is the same as diluted net income per share for the years presented.

### 14. Income taxes

On December 22, 2017, the U.S. government enacted comprehensive tax legislation commonly referred to as the Tax Cuts and Jobs Act ("Tax Act"). The Tax Act makes broad and complex changes to the US tax code, including, but not limited to (1) reducing the US federal corporate income tax rate from 35 percent to 21 percent, (2) requiring companies to pay a one-time transition tax (if applicable) on certain unrepatriated earnings of foreign subsidiaries, (3) generally eliminating U.S. federal income taxes on dividends from foreign subsidiaries, (4) requiring a current inclusion in U.S. federal taxable income of certain earnings of controlled foreign corporations, (5) eliminating the corporate alternative minimum tax ("AMT") and changing how existing AMT credits can be realized, (6) creating the base erosion anti-abuse tax ("BEAT"), a new minimum tax, (7) creating a new limitation on deductible interest expense, and (8) changing rules related to uses and limitations of net operating loss carryforwards created in tax years beginning after December 31, 2017.

## [Table of Contents](#)

The Securities and Exchange Commission (“SEC”) staff issued Staff Accounting Bulletin 118 (“SAB 118”), which provides guidance on accounting for the tax effects of the Tax Act. SAB 118 provides a measurement period that should not extend beyond one year from the Tax Act enactment date for companies to complete the accounting under ASC 740. In accordance with SAB 118, a company must reflect the income tax effects of those aspects of the Tax Act for which the accounting under ASC 740 is complete. To the extent that a company’s accounting for certain income tax effects on the Tax Act is incomplete but it is able to determine a reasonable estimate, it must record a provisional estimate in the financial statements. If a company cannot determine a provisional estimate to be included in the financial statements, it should continue to apply ASC 740 based on the provisions of the tax laws that were in effect immediately before the enactment of the Tax Act.

The Company’s accounting for the full Tax Act is incomplete. However, the Company was able to make reasonable estimates of certain effects and therefore, recorded adjustments as follows:

- Reduction of U.S. federal corporate tax rate: The Tax Act reduces the corporate tax rate to 21 percent, effective January 1, 2018. For certain of the Company’s deferred tax assets and liabilities, a decrease of \$0.1 million was recorded to the Company’s net deferred tax liability with a corresponding net adjustment to deferred tax benefit of \$0.1 million for the year ended December 31, 2017.
- Cost recovery: While the Company has not yet completed all the computations necessary or completed an inventory of its 2017 expenditures that qualify for immediate expensing, the Company has recorded a provisional deferred benefit of \$1.0 million for the year ended December 31, 2017 based on the Company’s present intent to fully expense all qualifying expenditures. The Company did not record an adjustment to the provisional deferred benefit during the three months ended March 31, 2018 (unaudited).

For the years ended December 31, 2016 and 2017, income before income taxes includes the following components (in thousands):

	Years ended	
	December 31,	
	2016	2017
United States	\$2,753	\$3,356
Foreign	1,707	6,025
Total	<u>\$4,460</u>	<u>\$9,381</u>

[Table of Contents](#)

For the years ended December 31, 2016 and 2017, the provision (benefit) for income taxes consists of the following (in thousands):

	Years ended December 31,	
	2016	2017
<b>Current:</b>		
U.S. federal	\$ 539	\$ 379
State	190	40
Foreign	936	1,047
Current tax expense	<u>1,665</u>	<u>1,466</u>
<b>Deferred and other:</b>		
U.S. federal	(130)	3,109
State	(15)	340
Foreign	27	(5,333)
Deferred tax benefit	<u>(118)</u>	<u>(1,884)</u>
Provision (benefit) for income taxes	<u>\$1,547</u>	<u>\$ (418)</u>

For the years ended December 31, 2016 and 2017, differences between the income tax expense computed at the statutory U.S. federal income tax rate and the provision (benefit) for income taxes computed per the Company's consolidated statements of income are summarized as follows (in thousands):

	Years ended December 31,	
	2016	2017
Income tax expense at federal statutory rate of 35%	\$1,561	\$ 3,283
State and local income taxes net of federal benefit	111	373
Tax rate changes (U.S. federal & state)	—	(92)
Valuation allowance changes	(789)	(6,417)
Deferred tax asset adjustment related to interest	—	3,103
Foreign rate differential	(264)	(918)
Non-deductible interest	671	376
Research and development	(388)	(449)
Other	645	323
Provision (benefit) for income taxes	<u>\$1,547</u>	<u>\$ (418)</u>

Foreign represents the non-U.S. jurisdictions. The country having the greatest impact on the tax rate adjustment line shown in the above table as "Foreign rate differential" for the years ended December 31, 2016 and 2017 is the UK where the statutory rate was 20.0% and 19.25%, respectively.

The deferred tax assets and liabilities result from differences in the timing of the recognition of certain income and expense items for tax and financial reporting purposes.

[Table of Contents](#)

The sources of these differences for the years ended December 31, 2016 and 2017 are as follows (in thousands):

	Years ended December 31,	
	2016	2017
NOL and tax credit carryforwards	\$ 6,836	\$ 6,380
Accrued interest	2,766	—
Property and equipment	622	—
Accruals	—	276
Intangible assets	—	345
Other	308	184
Subtotal	<u>10,532</u>	<u>7,185</u>
Less: Valuation allowance	<u>(6,529)</u>	<u>(112)</u>
<b>Net deferred tax assets</b>	<b>4,003</b>	<b>7,073</b>
Property and equipment	—	(740)
Prepaid expenses and other assets	—	(207)
Other	—	(84)
Subtotal	<u>—</u>	<u>(1,031)</u>
Less: Valuation allowance	<u>—</u>	<u>—</u>
<b>Net deferred tax liabilities</b>	<b>—</b>	<b>(1,031)</b>
<b>Total deferred tax asset, net</b>	<b><u>\$ 4,003</u></b>	<b><u>\$ 6,042</u></b>

For the years ended December 31, 2016 and 2017, the following table reflects the activity in the Company's valuation allowance on deferred tax assets (in thousands):

	December 31,	
	2016	2017
Beginning balance	\$7,318	\$ 6,529
Increase/(release) of valuation allowance	<u>(789)</u>	<u>(6,417)</u>
Ending balance	<u><u>\$6,529</u></u>	<u><u>\$ 112</u></u>

In assessing the realizability of deferred tax assets, the Company considers whether it is more likely than not that some portion or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. The Company considers projected future taxable income, reversing taxable temporary differences, carryback opportunities, and tax-planning strategies in making this assessment.

Management assesses the available positive and negative evidence to estimate if sufficient future taxable income will be generated to utilize the existing deferred tax assets before they otherwise expire. A significant piece of objective negative evidence evaluated was the cumulative income and loss incurred over the three-year period ended December 31, 2017. Cumulative losses are objective evidence that limits the ability to consider other subjective evidence such as the Company's projections for future growth. The amount of the deferred tax asset considered realizable, however, could be adjusted if estimates of future taxable income during the carryforward period are reduced or increased or if objective negative evidence in the form of cumulative losses is no longer present and additional weight may be given to subjective evidence such as the Company's projections for growth.



## [Table of Contents](#)

As of December 31, 2017, the Company's deferred tax assets were primarily the result of UK net operating loss ("NOL"), and tax credit carryforwards from the UK and U.S. For Cambium Networks Ltd (UK), a valuation allowance was recorded against its net deferred tax asset balance as of December 31, 2016. For the year ended December 31, 2017, the Company recorded a change in its valuation allowance of \$6.4 million on the basis of management's reassessment of the amount of its deferred tax assets (NOL and research and development credits) that are more likely than not to be realized. The \$6.4 million change in its valuation allowance comprised a change in judgement on the ability to utilize beginning deferred tax assets in future years of \$5.7 million and the realization of benefits of operating loss carryforwards utilized during 2017 of \$0.7 million. For the year ended December 31, 2016, the Company realized the benefits of operating loss carryforwards of \$1.2 million. As of each reporting date, the Company's management considers new evidence, both positive and negative, that could impact management's view with regards to future realization of deferred tax assets. In addition, during 2017, the Company wrote-off its deferred tax asset to income tax expense by \$3.1 million reflecting interest expense that was previously recognized.

The Company has gross income tax NOL carryforwards related to its international operations. For the year ended December 31, 2016, the NOL carryforward was approximately \$34.2 million, of which \$33.0 million has an indefinite life. For the year ended, December 31, 2017, the NOL carryforward was approximately \$28.1 million, of which \$27.7 million has an indefinite life. The Company had a valuation allowance against the deferred tax assets related to the NOL as of December 31, 2016. The Company has recorded a deferred tax asset of \$5.1 million related to NOL as of December 31, 2017. The Company's gross NOL carryforwards expire as follows:

	Years ended December 31,	
	2016	2017
Unlimited Carryforward	\$ 33.0 million	\$ 27.7 million
10+ Year Carryforward	\$ 1.2 million	\$ 0.4 million

The Company has tax credit carryforwards related to research and development. For the year ended December 31, 2016, the tax credit carryforward was approximately \$0.8 million, of which \$0.8 million has an indefinite life. For the year ended December 31, 2017, the carryforward was approximately \$1.3 million, of which \$0.9 million has an indefinite life and \$0.4 million that expires in 2037. The Company's research and development tax credit carryforwards and their expiration are as follows:

	Years ended December 31,	
	2016	2017
Unlimited Carryforward	\$ 0.8 million	\$ 0.9 million
20-Year Carryforward	\$ 0.0 million	\$ 0.4 million

The Company files income tax returns in the U.S. federal jurisdiction, various state and local jurisdictions and many foreign jurisdictions. The U.S., UK, and India are the main taxing jurisdictions in which the Company operates. Open tax years subject to audit vary depending on the tax jurisdiction. In the U.S., the Company is no longer subject to U.S. federal income tax examinations by tax authorities for years before 2014. In the UK, the tax returns that are open are for the tax years 2016 and 2017. In India, the tax returns that are open are for India assessment years 2012 through 2017.

The Company believes its tax positions comply with applicable tax law and intends to vigorously defend its position. However, differing positions on certain issues could be upheld by tax authorities, which could adversely affect the Company's financial condition and results of operations. The Company does not have any unrecognized tax benefits as of December 31, 2016 and 2017.

**Three months ended March 31, 2017 and 2018 (unaudited)**

For the three months ended March 31, 2017, the Company recorded a provision for income taxes of \$0.8 million compared to a benefit for income taxes of \$0.1 million during the three months ended March 31, 2018. Additionally, for the three months ended March 31, 2017 and 2018, the effective tax rate was 21.3% and 19.2%, respectively. The reduction of the effective tax rate from 21.3% for the three months ended March 31, 2017 to 19.2% for the three months ended March 31, 2018 was primarily driven by the reduction of the U.S. federal corporate tax rate from 35% to 21%, and the foreign derived intangible income deduction.

**15. Commitments and contingencies**

In accordance with ASC 460, *Guarantees*, the Company recognizes the fair value for guarantee and indemnification arrangements it issues or modifies, if these arrangements are within the scope of the interpretation. In addition, the Company must continue to monitor the conditions that are subject to the guarantees and indemnifications in order to identify if a loss has incurred. If the Company determines it is probable that a loss has occurred, then any such estimated loss would be recognized under those guarantees and indemnifications and would be recognized in the Company's consolidated statements of income and corresponding consolidated balance sheets during that period.

**Indemnification**

The Company generally indemnifies its distributors, value added resellers and network operators against claims brought by a third party to the extent any such claim alleges that the Company's product infringes a patent, copyright or trademark or violates any other proprietary rights of that third party. Although the Company generally tries to limit the maximum amount of potential future liability under its indemnification obligations, in certain agreements this liability may be unlimited. The maximum potential amount of future payments the Company may be required to make under these indemnification agreements is not estimable.

The Company indemnifies its directors and officers and select key employees for certain events or occurrences, subject to certain limits, while the director or officer is or was serving at the Company's request in such capacity. The term of the indemnification period is for the director's or officer's term of service. The Company may terminate the indemnification agreements with its directors or officers upon the termination of their services as directors or officers of the Company, but termination will not affect claims for indemnification related to events occurring prior to the effective date of termination. The maximum amount of potential future indemnification is unlimited; however, the Company has a director and officer insurance policy that limits its exposure. The Company believes the fair value of these indemnification agreements is minimal.

**Warranties**

The Company offers a standard one-year warranty on most hardware products, and records a liability within current liabilities for the estimated future costs associated with potential warranty claims. The Company's responsibility under its standard warranty is the repair or replacement of in-warranty defective product, or to credit the purchase price of the defective product, at its discretion, without charge to the customer. The Company also offers an extended warranty that extends the standard warranty on most of its products for up to four additional years; a limited lifetime warranty on select hardware products that extends warranty coverage to seven years; and an all risks advance replacement warranty covering additional types of equipment damage not covered by its standard warranty. The warranty costs are reflected in the Company's consolidated statements of income within cost of revenues. The Company's estimate of future warranty costs is largely based on historical experience factors including product failure rates, material usage, and service delivery cost

## [Table of Contents](#)

incurred in correcting product failures. See Note 5 – Accrued Warranty for more information and the amounts included in other current liabilities on the consolidated balance sheets.

### **Legal proceedings**

Third parties may from time to time assert legal claims against the Company. There is no pending or threatened legal proceedings to which the Company is a party to, and in the Company's opinion, is likely to have a material adverse effect on its financial condition or results of operations.

### **Operating leases**

The Company leases office space and vehicles under various non-cancelable operating leases that expire at various dates through 2026. Certain of the lease arrangements include rent holidays and escalation clauses and the Company recognizes expense on a straight-line basis over the term of the lease agreement. The Company generally pays taxes, insurance and maintenance costs on leased facilities and vehicles. The Company leases office space in Devon, United Kingdom; Illinois, United States; Bangalore, India; California, United States and other locations.

Total operating lease expense for the years ended December 31, 2016 and 2017 was \$1.1 million and \$1.4 million, respectively.

At December 31, 2017, total future minimum annual lease payments under operating leases were as follows (in thousands):

	2018	2019	2020	2021	2022	Thereafter	Total
Operating leases	\$1,756	\$1,736	\$1,768	\$1,613	\$1,045	\$ 853	\$8,771

On January 18, 2018, the Company signed an amendment to the lease agreement for the Rolling Meadows, Illinois facility to expand into an adjacent suite at the same location. The amendment commenced on April 1, 2018 with an initial term of five years and adds 3,507 square feet. The amendment also extends the lease term on the existing space an additional 13 months, so that the lease for the existing space and the expanded space both expire on March 31, 2024. As a result of this amendment, future minimum annual payments under operating leases reported at December 31, 2017 will increase by the following amounts (unaudited) (in thousands):

	2018	2019	2020	2021	2022	Thereafter	Total
Operating leases	\$ 43	\$ 87	\$ 89	\$ 91	\$ 92	\$ 1,072	\$1,474

## **16. Segment information, revenues by geography and significant customers**

The Company's chief operating decision maker ("CODM") is its Chief Executive Officer. The Company's CODM reviews financial information presented on a consolidated basis for purposes of allocating resources and evaluating financial performance. Accordingly, the Company determined that it operates as one reportable and operating segment.

## Table of Contents

Revenues by product category were as follows (in thousands, except percentages):

	Years ended December 31,				Three Months Ended March 31,			
	2016		2017		2017		2018	
							(unaudited)	
Point-to-Multi-Point	\$119,049	66%	\$142,000	66%	\$34,529	71%	\$37,240	64%
Point-to-Point	52,441	29%	56,130	26%	10,981	22%	15,959	27%
Wifi (cnPilot)	6,057	3%	14,620	6%	2,236	5%	4,357	7%
Other	3,897	2%	3,921	2%	1,062	2%	897	2%
<b>Total Revenues</b>	<b>\$181,444</b>	<b>100%</b>	<b>\$216,671</b>	<b>100%</b>	<b>\$48,808</b>	<b>100%</b>	<b>\$58,453</b>	<b>100%</b>

The Company's products are predominately distributed through a third-party logistics provider in the United States, Netherlands and China. The Company has determined the geographical distribution of product revenues based upon the ship-to destinations.

Revenues by geography were as follows (in thousands, except percentages):

	Years ended December 31,				Three Months Ended March 31,			
	2016		2017		2017		2018	
							(unaudited)	
North America	\$ 89,264	49%	\$100,676	47%	\$23,441	48%	\$24,239	41%
Europe, Middle East and Africa	55,787	31%	68,208	31%	15,955	33%	19,611	34%
Central and Latin America	22,344	12%	26,962	12%	5,851	12%	8,939	15%
Asia Pacific	14,049	8%	20,825	10%	3,561	7%	5,664	10%
<b>Total Revenues</b>	<b>\$181,444</b>	<b>100%</b>	<b>\$216,671</b>	<b>100%</b>	<b>\$48,808</b>	<b>100%</b>	<b>\$58,453</b>	<b>100%</b>

The following countries had revenues greater than 10% of total revenues:

- United States—\$76.2 million for 2016 and \$90.9 million for 2017
- Italy—\$32.0 million for 2016 and \$39.9 million for 2017

Customers with an accounts receivable balance of 10% or greater of total accounts receivable and customers with net revenues of 10% or greater of total revenues are presented below for the periods indicated:

	Percentage of revenues		Percentage of accounts receivable	
	Years ended December 31,		As of December 31,	
	2016	2017	2016	2017
Customer A	15%	15%	18%	15%
Customer B	14%	15%	11%	15%
Customer C	14%	11%	*	*

\* denotes percentage is less than 10%

## 17. Related party transactions

The Company follows ASC 850, *Related Party Disclosures*, for the identification of related parties and disclosure of related party transactions. A party is considered to be related to the Company if the party directly or indirectly or through one or more intermediaries, controls, is controlled by, or is under common control with the Company. Related parties also include principal owners of the Company, its management, members of the

## [Table of Contents](#)

immediate families of principal owners of the Company and its management and other parties with which the Company may deal.

Vector Cambium Holdings (Cayman), LP ("VCH, L.P."), the ultimate controlling party, provided funding to the Company in the form of CPECs, as described in Note 7 – Loan from Sponsor and contributed capital of \$62.5 million and \$2.0 million, respectively. On July 31, 2017, VCH, L.P. redeemed the CPECs by making a non-cash capital contribution to the Company of \$88.4 million including principal of \$62.5 million and accrued interest of \$25.9 million.

On December 21, 2017, the Company made a cash return of contributed capital to VCH, L.P. in the amount of \$65.7 million.

In addition, Cambium Networks, Ltd. (UK) issued \$7.0 million of redeemable preference shares to VCH, L.P. during the year ended December 31, 2014 (Refer to Note 12 – Noncontrolling interest). The holder of the redeemable preference shares is entitled to the Preference Amount (nominal amount plus 8% accrued cumulated dividend) in priority to any amount available for distribution to the shareholders of Cambium Networks, Ltd., but is not entitled to any further share of profit and the shares are only redeemable at the discretion of the issuer. The Company elected to redeem these shares and the accrued 8% cumulated dividend, which amounted to \$9.3 million, on December 21, 2017. These redeemable preference shares and their related accrued dividend are presented as noncontrolling interest in the Company's consolidated balance sheets and in the consolidated statements of shareholders' deficit.

During the years ended December 31, 2016 and 2017, fees of \$0.5 million and \$2.6 million, respectively, were charged by Vector Capital Management, LP, an entity related to Holdings, for management oversight and services. The fees in 2017 also included \$2.0 million of management fees in connection with the Company's \$90 million debt financing as further discussed in footnote 6. Amounts due to Vector Capital Management, LP at December 31, 2016 and 2017 and March 31, 2018 were \$2.6 million, \$5.0 million and \$5.1 million (unaudited), respectively, and included as Payable to Sponsor in the Company's consolidated balance sheets.

## 18. Revenue (unaudited)

### *Contract balances*

The following table summarizes contract balances upon adoption of ASC 606 on January 1, 2018 and as of March 31, 2018 (in thousands) (unaudited):

	January 1, 2018	March 31, 2018 (unaudited)
Trade accounts receivable, net of allowance for doubtful accounts	\$ 51,500	\$ 52,703
Deferred revenue—current	2,891	2,191
Deferred revenue—noncurrent	1,356	1,255
Refund liability	\$ 1,802	\$ 1,718

Trade accounts receivable include amounts billed and currently due from customers. Amounts are billed in accordance with contractual terms and are recorded at face amount less an allowance for doubtful accounts. The Company maintains an allowance for doubtful accounts for estimated losses as a result of customers' inability to make required payments. The Company evaluates the aging of the accounts receivable, historical trends, the financial condition of its customers and general economic conditions to estimate the amount of receivables that may not be collected in the future and records the appropriate allowance.

## [Table of Contents](#)

Deferred revenue consists of amounts due or received from customers in advance of the Company satisfying performance obligations under contractual arrangements and generally relates to extended warranty on hardware products. Deferred revenue is classified as current or noncurrent based on the timing of when revenue will be recognized. The changes in deferred revenue were due to normal timing differences between the Company's performance and the customers' payment. For the three months ended March 31, 2018, revenue recognized from amounts included in deferred revenue at January 1, 2018 was \$1.2 million (unaudited).

The refund liability is the estimated amount expected to be refunded to customers in relation to product exchanges made as part of the Company's stock rotation program. It is included within other current liabilities in the consolidated balance sheet.

### **Remaining performance obligations**

Remaining performance obligations represent the revenue that is expected to be recognized in future periods related to performance obligations included in a contract that are unsatisfied, or partially satisfied, as of the end of a period. As of March 31, 2018, deferred revenue (current and noncurrent) represents our remaining performance obligations, of which \$2.2 million is expected to be recognized within one year, with the remainder to be recognized thereafter (unaudited).

### **Financial statement effect of applying ASC 606**

As the modified retrospective transition method does not result in a recast of the prior year financial statements, ASC 606 requires the Company to provide additional disclosures for the amount by which each financial statement line item is affected by adoption of the standard and explanation of the reasons for significant changes.

The cumulative effect of the changes made to the Company's opening balance sheet as of January 1, 2018 due to the modified retrospective method of adoption of ASC 606 are as follows:

<b>Balance sheet (selected captions) (in thousands)</b>	<b>December 31, 2017</b>	<b>Impact of adoption on ASC 606</b>	<b>January 1, 2018 (unaudited)</b>
<b>Assets</b>			
Other current assets	\$ 1,318	\$ 741	\$ 2,059
Deferred tax assets, net	6,042	201	6,243
<b>Liabilities</b>			
Other current liabilities	743	1,802	2,545
<b>Shareholders' deficit</b>			
Accumulated deficit	\$ (43,400)	\$ (860)	\$ (44,260)

[Table of Contents](#)

The financial statement line items affected by adoption of ASC 606 for the three months ended March 31, 2018 is as follows (unaudited) (in thousands):

Balance sheet (selected captions)	March 31, 2018		
	As reported (unaudited)	Without application of ASC 606 (unaudited)	Effect of change Higher/(Lower) (unaudited)
<b>Assets</b>			
Other current assets	\$ 3,083	\$ 2,371	\$ 712
Deferred tax assets, net	6,547	6,356	191
<b>Liabilities</b>			
Other current liabilities	2,714	996	1,718
<b>Shareholders' deficit</b>			
Accumulated deficit	\$ (44,487)	\$ (43,672)	\$ (815)

Statements of income (selected captions)	Three Months Ended March 31, 2018		
	As reported (unaudited)	Without application of ASC 606 (unaudited)	Effect of change Higher/(Lower) (unaudited)
Revenues	\$ 58,453	\$ 58,369	\$ 84
Cost of revenues	30,250	30,221	29
Benefit for income taxes	\$ (54)	\$ (64)	\$ (10)

The following summarizes the significant changes resulting from the adoption of ASC 606 compared to if the Company had continued to recognize revenues under ASC 605, *Revenue Recognition*.

**Revenues and cost of revenue**

Prior to the adoption of ASC 606, the Company accounted for exchanges made as part of the Company's stock rotation program under ASC 845, *Nonmonetary Transactions*. Under ASC 606, these exchanges meet the definition of a right of return and revenue for the transferred products should reflect the amount of consideration to which the Company expects to be entitled. An adjustment to revenue is made to adjust the transaction price to exclude the consideration related to products expected to be returned. As many of these products were still eligible for exchange as of the date the Company adopted ASC 606, the adjustment to revenue to adjust the transaction price and the adjustment to cost of revenue to adjust for the carrying value of products to be returned is included in the Company's cumulative adjustment to accumulated deficit.

**Other current assets and other current liabilities**

Under ASC 606, an exchange under the Company's stock rotation program meets the definition of a right of return. Accordingly, upon adoption of ASC 606, the Company recorded an asset at the carrying amount of the estimated stock returns and a liability for the estimated amount expected to be refunded to the customer.

**Deferred tax asset, net**

The change in deferred tax asset is due to the deferred tax effects resulting from the adjustment to accumulated deficit for the cumulative effect of applying ASC 606 as of the adoption date.

The adoption of ASC 606 had no impact in total on the Company's cash flow from operations.

## 19. Quarterly financial data (unaudited)

The following table presents the Company's unaudited consolidated statements of income data for each of the eight quarters during years ended December 31, 2016 and 2017 and for the quarter ended March 31, 2018. This information has been presented on the same basis as the audited consolidated financial statements included in a separate section of this report, and all necessary adjustments, consisting only of normal recurring adjustments, have been included in the amounts below to state fairly the unaudited quarterly results when read in conjunction with the audited consolidated financial statements and related notes.

(in thousands)	Three months ended								
	Mar 31, 2016	Jun 30, 2016	Sep 30, 2016	Dec 31, 2016	Mar 31, 2017	Jun 30, 2017	Sep 30, 2017	Dec 31, 2017	Mar 31, 2018
Revenues	\$38,862	\$44,394	\$50,243	\$47,945	\$48,808	\$51,640	\$58,520	\$57,703	\$58,453
Cost of revenues	20,838	22,881	24,413	23,583	23,099	25,828	28,374	28,659	30,250
<b>Gross profit</b>	<b>18,024</b>	<b>21,513</b>	<b>25,830</b>	<b>24,362</b>	<b>25,709</b>	<b>25,812</b>	<b>30,146</b>	<b>29,044</b>	<b>28,203</b>
<b>Operating expenses</b>									
Research and development	5,681	6,530	7,571	6,485	6,950	7,121	7,943	10,213	9,385
Sales and marketing	6,515	7,764	7,737	7,605	8,209	9,447	9,604	9,949	10,419
General and administrative	3,383	3,163	2,935	3,737	3,321	3,822	3,916	6,519	4,321
Depreciation and amortization	2,141	2,108	2,109	2,075	2,088	2,154	2,239	2,343	2,370
<b>Total operating expenses</b>	<b>17,720</b>	<b>19,565</b>	<b>20,352</b>	<b>19,902</b>	<b>20,568</b>	<b>22,544</b>	<b>23,702</b>	<b>29,024</b>	<b>26,495</b>
<b>Operating income</b>	<b>304</b>	<b>1,948</b>	<b>5,478</b>	<b>4,460</b>	<b>5,141</b>	<b>3,268</b>	<b>6,444</b>	<b>20</b>	<b>1,708</b>
Interest expense	1,947	1,882	1,903	1,833	1,493	1,901	1,060	564	1,758
Other (income) expense	(42)	(14)	360	(139)	35	201	248	(10)	231
<b>(Loss) income before income taxes</b>	<b>(1,601)</b>	<b>80</b>	<b>3,215</b>	<b>2,766</b>	<b>3,613</b>	<b>1,166</b>	<b>5,136</b>	<b>(534)</b>	<b>(281)</b>
(Benefit) provision for income taxes	(241)	39	963	786	771	252	1,309	(2,750)	(54)
<b>Net (loss) income</b>	<b>(1,360)</b>	<b>41</b>	<b>2,252</b>	<b>1,980</b>	<b>2,842</b>	<b>914</b>	<b>3,827</b>	<b>2,216</b>	<b>(227)</b>
Less: Net income attributable to noncontrolling interest	157	159	161	161	170	172	169	160	—
<b>Net (loss) income attributable to shareholders</b>	<b>\$ (1,517)</b>	<b>\$ (118)</b>	<b>\$ 2,091</b>	<b>\$ 1,819</b>	<b>\$ 2,672</b>	<b>\$ 742</b>	<b>\$ 3,658</b>	<b>\$ 2,056</b>	<b>\$ (227)</b>

## 20. Subsequent events

The Company has evaluated subsequent events through May 7, 2018, the date the annual consolidated financial statements were available to be issued. Aside from the January 18, 2018 amendments to the Company's lease agreement for the Rolling Meadows, Illinois facility (see Note 15), the Company determined there were no other items to disclose.

For the issuance of the interim unaudited consolidated financial statements for the three months ended March 31, 2018, such evaluation has been performed through June 8, 2018.





**2017 INNOVATION AWARD OF THE YEAR**  
Cambium Networks

**2017 PRODUCT OF THE YEAR**  
Cambium eMule

**2017 SERVICE OF THE YEAR**  
Cambium Networks

**Cambium Networks**

**With Cambium Networks,  
everything is within reach**



## Part II

# Information not required in prospectus

### Item 13. Other expenses of issuance and distribution

The following table sets forth all expenses to be paid by the Registrant, other than estimated underwriting discounts and commissions, in connection with this offering. All amounts shown are estimates except for the SEC registration fee, the FINRA filing fee and the exchange listing fee:

	<b>Amount to be Paid</b>
SEC registration fee	\$ *
FINRA filing fee	*
Nasdaq listing fee	*
Printing and engraving expenses	*
Legal fees and expenses	*
Accounting fees and expenses	*
Transfer agent and registrar fees	*
Miscellaneous	*
Total	\$ *

\* To be filed by amendment.

### Item 14. Indemnification of directors and officers

Cayman Islands law does not limit the extent to which a company's articles of association may provide for indemnification of officers and directors, except to the extent any such provision may be held by the Cayman Islands courts to be contrary to public policy, such as to provide indemnification against willful default, fraud or the consequences of committing a crime. Our Amended and Restated Memorandum and Articles of Association provide for indemnification of officers and directors for losses, damages, costs and expenses incurred in their capacities as such, except through their own willful default, fraud and dishonesty.

Pursuant to the form of indemnification agreements filed as Exhibit 10.1 to this Registration Statement, we will agree to indemnify our directors and officers against certain liabilities and expenses incurred by such persons in connection with claims made by reason of their being such a director or officer.

The form of Underwriting Agreement filed as Exhibit 1.1 to this Registration Statement will also provide for indemnification of us and our officers and directors in certain instances.

### Item 15. Recent sales of unregistered securities

N/A

**Item 16. Exhibits and financial statement schedules****(a) Exhibits**

<b>Exhibit number</b>	<b>Description</b>
1.1*	Form of Underwriting Agreement
3.1*	Form of Amended and Restated Memorandum and Articles of Association to be effective upon completion of this offering
4.1*	Shareholders Agreement, dated _____, by and among Registrant and certain security holders of Registrant
5.1*	Opinion of Walkers
10.1+	Form of Indemnification Agreement entered into between Registrant and its directors and executive officers
10.2	Renewal Lease by Reference to an Existing Lease, Part Unit A, Linhay Business Park, Eastern Road, Ashburton, Devon TQ13 7UP, United Kingdom, dated as of November 22, 2016, by and between the Registrant and Stephanie Myers Palk, Richard John Palk and Alison June Palk
10.3	Renewal Lease by Reference to an Existing Lease, Unit B2/3, Linhay Business Park, Eastern Road, Ashburton, Devon TQ13 7UP, United Kingdom, dated as of November 22, 2016, by and between Cambium Networks, Ltd and Stephanie Myers Palk, Richard John Palk and Alison June Palk
10.4	Renewal Lease by Reference to an Existing Lease, Unit B2/3, Linhay Business Park, Eastern Road, Ashburton, Devon TQ13 7UP, United Kingdom, dated as of April 9, 2018, by and between Cambium Networks, Ltd and Stephanie Myers Palk, Richard John Palk and Alison June Palk
10.5	Renewal Lease by Reference to an Existing Lease, Unit D1, Linhay Business Park, Eastern Road, Ashburton, Devon, TQ13 7UP, United Kingdom, dated as of November 22, 2016, by and between Cambium Networks, Ltd and Stephanie Myers Palk, Richard John Palk and Alison June Palk
10.6	Renewal Lease by Reference to an Existing Lease, Unit D1, Linhay Business Park, Eastern Road, Ashburton, Devon, TQ13 7UP, United Kingdom, dated as of April 9, 2018, by and between Cambium Networks, Ltd and Stephanie Myers Palk, Richard John Palk and Alison June Palk
10.7	Office Lease, dated as of January 30, 2012, by and between Cambium Networks, Inc. and Atrium at 3800 Golf LLC
10.8	The First Amendment, dated March 6, 2012, by and between Cambium Networks, Inc. and Atrium at 3800 Golf LLC
10.9	The Second Amendment, dated February 21, 2013, by and between Cambium Networks, Inc. and Atrium at 3800 Golf LLC
10.10	The Third Amendment, dated June 3, 2015, by and between Cambium Networks, Inc. and Atrium at 3800 Golf LLC
10.11	The Fourth Amendment, dated January 18, 2018, by and between Cambium Networks, Inc. and Atrium at 3800 Golf LLC
10.12	Lease Deed, dated as of June 20, 2016, by and between Cambium Networks Consulting Private Limited and Umiya Holdings Private Limited
10.13	Lease, dated as of December 4, 2017, by and between Cambium Networks, Inc. and Silicon Valley Center Office LLC

## Table of Contents

10.14##++	Corporate Supply Agreement between Cambium Networks Limited and Flextronics Telecom Systems, Ltd. dated as of April 23, 2012
10.15*+	Employee Share Purchase Plan
10.16*+	Form of Share Option Agreement under the Employee Share Purchase Plan
10.17*+	2018 Share Incentive Plan
10.18*+	Form of Share Option Grant Notice and Share Option Agreement under 2018 Share Incentive Plan
10.19*+	Form of Restricted Share Unit Grant Notice and Restricted Share Unit Agreement under 2018 Share Incentive Plan
10.20*+	Form of Restricted Share Award Grant Notice and Restricted Share Award Agreement under 2018 Share Incentive Plan
10.21	Amended and Restated Credit Agreement, dated as of December 21, 2017, by and among the Registrant, as Holdings, Cambium Networks, Ltd., as Borrower, Silicon Valley Bank, as Administrative Agent and Issuing Lender, and the lenders party thereto
21.1	Subsidiaries of Registrant
23.1*	Consent of KPMG LLP, independent registered public accounting firm
23.2*	Consent of Walkers (included in Exhibit 5.1)

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# Previously filed

\* To be filed by Amendment

+ Indicates management contract or compensatory plan

++ Confidential treatment has been requested for portions of this exhibit. These portions have been omitted from this Registration Statement and have been filed separately with the SEC.

### **(b) Financial statement schedules**

Schedules not listed have been omitted because the information required to be set forth therein is not applicable, not material or is shown in the financial statements or notes thereto.

### **Item 17. Undertakings**

The undersigned Registrant hereby undertakes to provide to the underwriters at the closing specified in the underwriting agreement certificates in such denominations and registered in such names as required by the underwriters to permit prompt delivery to each purchaser.

Insofar as indemnification for liabilities arising under the Securities Act, may be permitted to directors, officers, and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the SEC such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer, or controlling person of the registrant in the successful defense of any action, suit, or proceeding) is asserted by such director, officer, or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

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[Table of Contents](#)

The undersigned Registrant hereby undertakes that:

- (1) For purposes of determining any liability under the Securities Act, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the Registrant pursuant to Rule 424(b) (1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this registration statement as of the time it was declared effective.
- (2) For the purpose of determining any liability under the Securities Act, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

## Signatures

Pursuant to the requirements of the Securities Act of 1933, the registrant has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the Rolling Meadows, Illinois, on the \_\_\_\_\_ day of \_\_\_\_\_, 2018.

CAMBIUM NETWORKS CORPORATION

By: \_\_\_\_\_  
Atul Bhatnagar  
President and Chief Executive Officer

## Power of attorney

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Atul Bhatnagar, and each of them, as his true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities, to sign any and all amendments (including post-effective amendments) to this Registration Statement and to sign any registration statement for the same offering covered by the Registration Statement that is to be effective upon filing pursuant to Rule 462 promulgated under the Securities Act, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the SEC, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in connection therewith and about the premises, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or any of them, or their or his substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act, this Registration Statement has been signed by the following persons in the capacities and on the dates indicated:

<u>Signature</u>	<u>Title</u>	<u>Date</u>
_____ Atul Bhatnagar	President and Chief Executive Officer (Principal Executive Officer)	, 2018
_____ Stephen Cumming	Chief Financial Officer (Principal Financial Officer)	, 2018
_____ Robert Amen	Chairman of the Board	, 2018
_____ Alexander R. Slusky	Director	, 2018
_____ Bruce Felt	Director	, 2018

**FORM OF  
INDEMNIFICATION AGREEMENT**

THIS AGREEMENT (this "**Agreement**"), dated as of [●], is entered into by and between Cambium Networks Corporation, a Cayman Islands exempted company (the "**Company**"), and [●] ("**Indemnitee**").

WHEREAS, it is essential to the Company to retain and attract as [directors/executive officers] the most capable persons available;

WHEREAS, Indemnitee is [a director/an executive officer] of the Company;

WHEREAS, both the Company and Indemnitee recognize the increased risk of litigation and other claims currently being asserted against [directors/executive officers] of companies; and

WHEREAS, in recognition of Indemnitee's need for substantial protection against personal liability in order to enhance Indemnitee's continued and effective service to the Company, and in order to induce Indemnitee to provide continued services to the Company as [a director/an executive officer], the Company wishes to provide in this Agreement for the indemnification of and the advancing of expenses to Indemnitee to the fullest extent (whether partial or complete) permitted by law and as set forth in this Agreement and for the coverage of Indemnitee under the Company's directors' and officers' liability insurance policies.

NOW, THEREFORE, in consideration of the above premises and of Indemnitee's continuing to serve as a director of the Company and intending to be legally bound hereby, the parties agree as follows:

1. **Certain Definitions.** The following terms shall have the following meanings in this Agreement:

(a) "**Board**" means the Board of Directors of the Company.

(b) "**Change in Control**" means:

(i) any "person," as such term is defined in Section 3(a)(9) of the Securities Exchange Act of 1934 (the "**Exchange Act**"), as modified and used in Section 13(d) and 14(d) thereof (but not including (1) the Company or any of its subsidiaries, (2) a trustee or other fiduciary holding securities under an employee benefit plan of the Company or any of its subsidiaries, (3) an underwriter temporarily holding securities pursuant to an offering of such securities, or (4) a company owned, directly or indirectly, by the shareholders of the Company in substantially the same proportions as their ownership of shares of the Company) (hereinafter a "**Person**"), is or becomes the beneficial owner, as defined in Rule 13d-3 of the Exchange Act, directly or indirectly, of securities of the Company (not including in the securities beneficially owned by such Person any securities acquired directly from the Company or its affiliates, excluding an acquisition resulting from the exercise of a conversion or exchange privilege in respect of outstanding convertible or exchangeable securities) representing 50% or more of the combined voting power of the Company's then outstanding securities; or

(ii) during any period of two consecutive years beginning on the date hereof, individuals who at the beginning of such period constitute the Board and any new director (other than a director designated by a Person who has entered into any agreement with the Company to effect a transaction described in clause (i), (iii) or (iv) of this Section) whose election by the Board or nomination for election by the Company's shareholders was approved by a vote of at least two-thirds of the directors then still in office who either were directors at the beginning of the period or whose election or nomination for election was previously so approved (each such director, a "**Continuing Director**"), cease for any reason to constitute a majority thereof; or

(iii) the shareholders of the Company approve a merger or consolidation of the Company with any other company, other than (1) a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving or acquiring entity), in combination with the ownership of any trustee or other fiduciary holding securities under an employee benefit plan of the Company, at least 50% of the combined voting power of the voting securities of the Company or such surviving or acquiring entity outstanding immediately after such merger or consolidation, or (2) a merger or consolidation effected to implement a recapitalization of the Company (or similar transaction) in which no Person acquires more than 50% of the combined voting power of the Company's then outstanding securities; or

(iv) the shareholders of the Company approve a plan of complete liquidation of the Company or an agreement for the sale or disposition by the Company of all or substantially all of the Company's assets.

(c) "**Disinterested Director**" means a director of the Company who is not and was not a party to the Proceeding in respect of which indemnification is sought by Indemnitee.

(d) "**Enterprise**" shall mean the Company, any direct or indirect subsidiary of the Company, and any other company, partnership, joint venture, trust, employee benefit plan or other enterprise that Indemnitee is or was serving at the express request of the Company as a director, officer, employee, agent or fiduciary.

(e) "**Expense Advance**" or an "**Advance**" shall have the meaning set forth in Section 2(c).

(f) "**Expenses**" means any reasonable expense, including without limitation, attorneys' fees, retainers, court costs, transcript costs, fees and expenses of experts (including without limitation accountants and other advisors), travel expenses, witness fees, duplicating costs, postage, delivery service fees, filing fees, and all other disbursements or expenses of the types typically paid or incurred in connection with investigating, defending, being a witness in,



or participating (including on appeal), or responding to, or objecting to, a request to provide discovery, or preparing for any of the foregoing, or any appeal bond or its equivalent, in any Proceeding relating to any Indemnifiable Event, and any expenses of establishing a right to indemnification under any of Sections 2, 4 or 5, in each case, to the extent reasonable; provided, however, that Expenses shall not include amounts paid in settlement by Indemnitee or the amount of judgments or fines against the Indemnitee.

(g) “**Indemnifiable Costs**” means any and all Expenses, liability or loss, judgments, fines and amounts paid in settlement and any interest, assessments, or other charges imposed thereon, and any federal, state, local, or foreign taxes imposed as a result of the actual or deemed receipt of any payments under this Agreement.

(h) “**Indemnifiable Event**” means any event or occurrence that takes place either prior to or after the execution of this Agreement, related to the fact that Indemnitee is or was [a director/an executive officer] of the Company, or while Indemnitee is or was serving at the request of the Company as a director or officer of another company, partnership, joint venture, trust, employee benefit plan or other enterprise or related to anything done or not done by Indemnitee in any such capacity, whether or not the basis of the Proceeding is alleged action in an official capacity as [a director/an executive officer] of the Company, or in any other capacity, as described above.

(i) “**Independent Counsel**” means a law firm, or a member of a law firm, that is experienced in matters of company law and neither presently is, nor in the past three years has been, retained to represent: (1) the Company or any of its subsidiaries or affiliates, (2) the Indemnitee or (3) any other party to the Proceeding giving rise to a claim for indemnification or Expense Advances hereunder, in any matter (other than with respect to matters relating to indemnification and advancement of expenses). No law firm or lawyer shall qualify to serve as Independent Counsel if that person would, under the applicable standards of professional conduct then prevailing, have a conflict of interest in representing either the Company or Indemnitee in an action to determine Indemnitee’s rights under this Agreement. The Company shall select a law firm or lawyer to serve as Independent Counsel, subject to the consent of the Indemnitee, which consent shall not be unreasonably withheld.

(j) “**Organizational Documents**” means the Company’s Certificate of Incorporation and Amended and Restated Memorandum and Articles of Association.

(k) “**Proceeding**” means any threatened, pending, or completed action, suit or proceeding, whether civil, criminal, internal, administrative or investigative that relates to an Indemnifiable Event.

(l) “**Reviewing Party**” shall have the meaning set forth in Section 3.

## 2. **Agreement to Indemnify.**

(a) General Agreement regarding Indemnification. In the event Indemnitee was, is, or becomes a party to or witness or other participant in, or is threatened to be made a party to or witness or other participant in, a Proceeding by reason of (or arising in part out of) an Indemnifiable Event, the Company shall indemnify Indemnitee from and against Indemnifiable

Costs, to the fullest extent permitted by applicable law, as the same exists or may hereafter be amended or interpreted (but in the case of any such amendment or interpretation, only to the extent that such amendment or interpretation permits the Company to provide broader indemnification rights than were permitted prior thereto); provided, however, that the Company's commitment set forth in this Section 2(a) to indemnify the Indemnitee shall be subject to the limitations and procedural requirements set forth in this Agreement.

(b) Partial Indemnification. If Indemnitee is entitled under any provision of this Agreement to indemnification by the Company for some or a portion of Indemnifiable Costs, but not, however, for the total amount thereof, the Company shall nevertheless indemnify Indemnitee for the portion thereof to which Indemnitee is entitled.

(c) Advancement of Expenses. If so requested by Indemnitee, the Company shall advance to Indemnitee, to the fullest extent permitted by applicable law, any and all Expenses incurred by Indemnitee (an "**Expense Advance**" or an "**Advance**") within 21 calendar days after the receipt by the Company of a request from Indemnitee for an Advance, whether prior to or after final disposition of any Proceeding; provided, however, that the Company shall not advance any expenses to Indemnitee unless and until it shall have received a request and undertaking substantially in the form attached hereto as Exhibit A. Any request for an Expense Advance shall be accompanied by an itemization, in reasonable detail, of the Expenses for which advancement is sought; provided, however, that Indemnitee need not submit to the Company any information that counsel for Indemnitee deems is privileged and exempt from compulsory disclosure in any proceeding. Advances shall be made without regard to Indemnitee's ability to repay the Expenses. If Indemnitee has commenced legal proceedings in a court of competent jurisdiction in the State of Delaware to secure a determination that Indemnitee should be indemnified under applicable law, as provided in Section 4, any determination made by the Reviewing Party that Indemnitee would not be permitted to be indemnified under applicable law shall not be binding and Indemnitee shall not be required to reimburse the Company for any Expense Advance until a final judicial determination is made with respect thereto (as to which all rights of appeal therefrom have been exhausted or have lapsed). Indemnitee's obligation to reimburse the Company for Expense Advances shall be unsecured and no interest shall be charged thereon.

(d) Exception to Obligation to Indemnify and Advance Expenses. Notwithstanding anything in this Agreement to the contrary, Indemnitee shall not be entitled to indemnification or advancement pursuant to this Agreement in connection with any Proceeding initiated by Indemnitee against the Company or any director or officer of the Company unless (i) the Company has joined in or the Board has consented to the initiation of such Proceeding or (ii) the Proceeding is one to enforce indemnification rights under Section 5.

### 3. **Reviewing Party**.

(a) Definition of Reviewing Party. Other than as contemplated by Section 3(b), the person, persons or entity who shall determine whether Indemnitee is entitled to indemnification in the first instance (the "**Reviewing Party**") shall be (i) the Board acting by a majority vote of Disinterested Directors, even though less than a quorum, (ii) by a committee of Disinterested Directors designated by a majority vote of Disinterested Directors, even though

less than a quorum, (iii) if there are no Disinterested Directors, or if the Disinterested Directors so direct, by Independent Counsel in a written determination to the Board, a copy of which shall be delivered to Indemnitee or (iv) if so directed by the Board or Disinterested Directors, by the ordinary resolutions of the shareholders of the Company.

(b) Reviewing Party Following Change in Control. Notwithstanding anything to the contrary, (i) after a Change in Control (other than a Change in Control approved by a majority of the Continuing Directors), the Reviewing Party shall be the Independent Counsel, (ii) with respect to all matters arising from such a Change in Control concerning the rights of Indemnitee to indemnity payments and Expense Advances under this Agreement or any other agreement or under applicable law or the Organizational Documents now or hereafter in effect relating to indemnification for Indemnifiable Events, the Company shall seek legal advice only from the Independent Counsel and (iii) such counsel, among other things, shall render its written opinion to the Company and Indemnitee as to whether and to what extent the Indemnitee should be permitted to be indemnified under applicable law. The Company agrees to pay the reasonable fees of the Independent Counsel and to indemnify fully such counsel against any and all expenses (including without limitation attorneys' fees), claims, liabilities, loss, and damages arising out of or relating to this Agreement or the engagement of Independent Counsel pursuant hereto.

#### 4. Indemnification Process and Appeal.

##### (a) Indemnification Payment.

(i) The determination with respect to Indemnitee's entitlement to indemnification shall, to the extent practicable, be made by the Reviewing Party not later than 30 days after receipt by the Company of a written demand on the Company for indemnification (which written demand shall include such documentation and information as is reasonably available to Indemnitee and is reasonably necessary to determine whether and to what extent Indemnitee is entitled to indemnification); provided, however, that if the Reviewing Party is the shareholders of the Company, the 30 day time period shall be replaced with the following: (A) within 15 days after receipt by the Company of the request for such determination, the Board or the Disinterested Directors, if appropriate, resolve to submit such determination to the shareholders for their consideration at an annual meeting thereof to be held within 75 days after such receipt and such determination is made thereat, (B) a special meeting of shareholders is called within 15 days after such receipt for the purpose of making such determination, such meeting is held for such purpose within 60 days after having been so called and such determination is made thereat or (C) written consents of shareholders of the Company are obtained within 75 days after receipt by the Company of the request for such determination. The Reviewing Party making the determination with respect to Indemnitee's entitlement to indemnification shall notify Indemnitee of such written determination no later than two business days thereafter. If a determination shall have been made pursuant to Section 4(a) of this Agreement that Indemnitee is entitled to indemnification, the Company shall be bound by such determination in any judicial proceeding, absent (x) a

misstatement by Indemnitee of a material fact, or an omission of a material fact necessary to make Indemnitee's misstatement not materially misleading in connection with the application for indemnification or (y) a prohibition of such indemnification under applicable law. The Company shall be precluded from asserting in any judicial proceeding commenced that the procedures and presumptions of this Agreement are not valid, binding and enforceable and shall stipulate in any such court that the Company is bound by all the provisions of this Agreement.

(ii) If the Reviewing Party shall not have made a written determination to the Company that Indemnitee is not entitled to indemnification within time limitation for such a determination set forth in Section 4(a)(i), the requisite determination of entitlement to indemnification shall be deemed to have been made and Indemnitee shall be entitled to such indemnification absent (x) a misstatement by Indemnitee of a material fact, or an omission of a material fact necessary to make Indemnitee's statement not materially misleading, in connection with the request for indemnification or (y) a prohibition of such indemnification under applicable law. Indemnitee shall receive payment from the Company in accordance with this Agreement within 10 business days after the earlier of (x) the Reviewing Party making its determination with respect to Indemnitee's entitlement to indemnification and (y) the expiration of the time period specified in Section 4(a)(i).

(iii) Indemnitee shall cooperate with the Reviewing Party, including without limitation providing to Reviewing Party or its representatives upon reasonable advance request any documentation or information which is not privileged or otherwise protected from disclosure and which is reasonably available to Indemnitee and reasonably necessary to such determination. Any costs or expenses (including attorneys' fees and disbursements) incurred by Indemnitee in so cooperating with the Reviewing Party shall be borne by the Company (irrespective of the determination as to Indemnitee's entitlement to indemnification) and the Company hereby indemnifies and agrees to hold Indemnitee harmless therefrom.

(b) Suit to Enforce Rights. If (x) payment of indemnification pursuant to Section 4(a)(ii) is not made within the period permitted for such payment by such section, (y) the Reviewing Party determines pursuant to Section 4(a) that Indemnitee is not entitled to indemnification under this Agreement, or (z) Indemnitee has not received advancement of Expenses within the time period permitted for such advancement by Section 2(c), then Indemnitee shall have the right to enforce the indemnification and advancement rights granted under this Agreement by commencing litigation in any court of competent jurisdiction in the State of Delaware seeking an initial determination by the court or challenging any determination by the Reviewing Party or any aspect thereof. The Company hereby consents to service of process and to appear in any such proceeding. Any determination by the Reviewing Party not challenged by the Indemnitee within six months of the date of the Reviewing Party's determination shall be binding on the Company and Indemnitee. In the event that a determination shall have been made by the Reviewing Party that Indemnitee is not entitled to

indemnification, any judicial proceeding commenced pursuant to this Section 4(b) shall be conducted in all respects as a de novo trial on the merits, and Indemnatee shall not be prejudiced by reason of the adverse determination under Section 4(a). The remedy provided for in this Section 4 shall be in addition to any other remedies available to Indemnatee in law or equity.

(c) Defense to Indemnification, Burden of Proof, and Presumptions.

(i) To the maximum extent permitted by applicable law in making a determination with respect to entitlement to indemnification (or payment of Expense Advances) hereunder, the Reviewing Party shall presume that an Indemnatee is entitled to indemnification (or payment of Expense Advances) under this Agreement, and the Company shall have the burden of proof to overcome that presumption in connection with the making by the Reviewing Party of any determination contrary to that presumption.

(ii) It shall be a defense to any action brought by Indemnatee against the Company to enforce this Agreement that it is not permissible under applicable law for the Company to indemnify Indemnatee for the amount claimed.

(iii) For purposes of this Agreement, the termination of any claim, action, suit, or proceeding, by judgment, order, settlement (whether with or without court approval and whether with or without an admission of liability on the part of the Indemnatee), conviction, or upon a plea of nolo contendere, or its equivalent, shall not create a presumption that Indemnatee did not act in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of the Company or, with respect to any criminal Proceeding, that Indemnatee had reasonable cause to believe that his conduct was unlawful or create a presumption that Indemnatee did not meet any particular standard of conduct or have any particular belief or that a court has determined that indemnification is not permitted by applicable law.

(iv) The Company acknowledges that a settlement or other disposition short of final judgment may be successful if it permits a party to avoid expense, delay, distraction, disruption and uncertainty. In the event that any action, claim or proceeding to which Indemnatee is a party is resolved in any manner other than by adverse judgment against Indemnatee (including, without limitation, settlement of such action, claim or proceeding with or without payment of money or other consideration) it shall be presumed that Indemnatee has been successful on the merits or otherwise in such action, suit or proceeding. Anyone seeking to overcome this presumption shall have the burden of proof and the burden of persuasion by clear and convincing evidence.

(v) For purposes of any determination under this Agreement, Indemnatee shall be deemed to have acted in good faith if Indemnatee's action is based on the records or books of account of the Enterprise, including without limitation financial statements, or on information supplied to Indemnatee by the directors or officers of the Enterprise in the course of their duties, or on the advice

of legal counsel for the Enterprise or on information or records given or reports made to the Enterprise by an independent certified public accountant or by an appraiser or other expert selected with the reasonable care by the Enterprise. The provisions of this Section 4(c)(v) shall not be deemed to be exclusive or to limit in any way the other circumstances in which the Indemnitee may be deemed to have met the applicable standard of conduct set forth in this Agreement. Whether or not the foregoing provisions of this Section 4(c)(v) are satisfied, it shall in any event be presumed that Indemnitee has at all times acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Company. Anyone seeking to overcome this presumption shall have the burden of proof and the burden of persuasion by clear and convincing evidence.

(vi) The knowledge or actions, or failure to act, of any director, officer, agent or employee of the Enterprise shall not be imputed to Indemnitee for purposes of determining the right to indemnification under this Agreement.

5. **Indemnification for Expenses Incurred in Enforcing Rights.** The Company shall indemnify Indemnitee against any and all Expenses to the fullest extent permitted by law and, if requested by Indemnitee pursuant to the procedures set forth in Section 2(c), shall advance such Expenses to Indemnitee, that are incurred by Indemnitee in connection with any claim asserted against or action brought by Indemnitee for:

(i) enforcement of this Agreement;

(ii) indemnification of Indemnifiable Costs or Expense Advances by the Company under this Agreement or any other agreement or under applicable law or the Organizational Documents now or hereafter in effect relating to indemnification for Indemnifiable Events; or

(iii) recovery under directors' and officers' liability insurance policies maintained by the Company.

6. **Notification and Defense of Proceeding.**

(a) Notice. Promptly after receipt by Indemnitee of notice of the commencement of any Proceeding, Indemnitee will, if a claim in respect thereof is to be made against the Company under this Agreement, notify the Company of the commencement thereof. The failure to notify or promptly notify the Company shall not relieve the Company from any liability which it may have to the Indemnitee otherwise than under this Agreement, and shall not relieve the Company from liability hereunder except to the extent the Company has been prejudiced or as further provided in Section 6(c).

(b) Defense. With respect to any Proceeding as to which Indemnitee notifies the Company of the commencement thereof, the Company will be entitled to participate in the Proceeding at its own expense and except as otherwise provided below, to the extent the Company so wishes, it may assume the defense thereof with counsel selected by the Company. After notice from the Company to Indemnitee of its election to assume the defense of any Proceeding, the Company will not be liable to Indemnitee under this Agreement or otherwise for

any Expenses subsequently incurred by Indemnitee in connection with the defense of such Proceeding other than reasonable costs of investigation or as otherwise provided below. Indemnitee shall have the right to employ separate counsel in such Proceeding, but all Expenses related thereto incurred after notice from the Company of its assumption of the defense shall be at Indemnitee's expense unless: (i) the employment of counsel by Indemnitee has been authorized by the Company, (ii) Indemnitee has reasonably determined that there may be a conflict of interest between Indemnitee and the Company in the defense of the Proceeding, (iii) after a Change in Control, the employment of counsel by Indemnitee has been approved by the Independent Counsel, or (iv) the Company shall not within 60 calendar days (or sooner if the circumstances require) in fact have employed counsel to assume the defense of such Proceeding, in each of which case all Expenses of the Proceeding shall be borne by the Company. If the Company has selected counsel to represent Indemnitee and other current and former directors, officers or employees of the Company in the defense of a Proceeding, and a majority of such persons, including Indemnitee, reasonably object to such counsel selected by the Company pursuant to the first sentence of this Section 6(b), then such persons, including Indemnitee, shall be permitted to employ one additional counsel of their choice and the reasonable fees and expenses of such counsel shall be at the expense of the Company; provided, however, that such counsel shall be chosen from amongst the list of counsel, if any, approved by any company with which the Company obtains or maintains insurance. In the event separate counsel is retained by a group of persons including Indemnitee pursuant to this Section 6(b), the Company shall cooperate with such counsel with respect to the defense of the Proceeding, including without limitation making documents, witnesses and other reasonable information related to the defense available to such separate counsel pursuant to joint-defense agreements or confidentiality agreements, as appropriate. The Company shall not be entitled to assume the defense of any Proceeding brought by or on behalf of the Company or as to which Indemnitee shall have made the determination provided for in clause (ii) above.

(c) Settlement of Claims. The Company shall not be liable to indemnify Indemnitee under this Agreement or otherwise for any amounts paid in settlement of any Proceeding effected without the Company's written consent. The Company shall not settle any Proceeding in any manner that would impose any penalty or limitation on Indemnitee without Indemnitee's written consent. Neither the Company nor the Indemnitee will unreasonably withhold their consent to any proposed settlement. The Company shall not be liable to indemnify the Indemnitee under this Agreement with regard to any judicial award if the Company was not given a reasonable and timely opportunity, at its expense, to participate in the defense of such action; the Company's liability hereunder shall not be excused if participation in the Proceeding by the Company was barred by this Agreement.

7. Non-Exclusivity. The rights of Indemnitee hereunder shall be in addition to any other rights Indemnitee may have under the laws of the Cayman Islands, the Organizational Documents, applicable law, or otherwise. To the extent that a change in applicable law (whether by statute or judicial decision) permits greater indemnification by agreement than would be afforded currently under the Organizational Documents, applicable law, or this Agreement, it is the intent of the parties that Indemnitee enjoy by this Agreement the greater benefits so afforded by such change.

8. **Liability Insurance.** To the extent the Company maintains an insurance policy or policies providing directors' or officers' liability insurance, Indemnitee, if [a director/an executive officer] of the Company, shall be covered by such policy or policies, in accordance with its or their terms.

9. **Amendment.** No supplement, modification, or amendment of this Agreement shall be binding unless executed in writing by both of the parties hereto. No waiver of any of the provisions of this Agreement shall operate as a waiver of any other provisions hereof (whether or not similar), nor shall such waiver constitute a continuing waiver. Except as specifically provided herein, no failure to exercise or any delay in exercising any right or remedy hereunder shall constitute a waiver thereof.

10. **Binding Effect.** This Agreement shall be binding upon and inure to the benefit of and be enforceable by the parties hereto and their respective successors, assigns, including without limitation any direct or indirect successor by purchase, merger, consolidation, or otherwise to all or substantially all of the business or assets of the Company, spouses, heirs, and personal and legal representatives. The Company shall require and cause any successor (whether direct or indirect by purchase, merger, consolidation, or otherwise) to all, substantially all, or a substantial part, of the business or assets of the Company, by written agreement in form and substance satisfactory to Indemnitee, expressly to assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform if no such succession had taken place. This Agreement shall continue in effect regardless of whether Indemnitee continues to serve as [a director/an executive officer] of the Company or of any other Enterprise at the Company's request.

11. **Severability.** If any provision (or portion thereof) of this Agreement shall be held by a court of competent jurisdiction to be invalid, void, or otherwise unenforceable, the remaining provisions shall remain enforceable to the fullest extent permitted by law. Furthermore, to the fullest extent possible, the provisions of this Agreement (including, without limitation, each portion of this Agreement containing any provision held to be invalid, void, or otherwise unenforceable, that is not itself invalid, void, or unenforceable) shall be construed so as to give effect to the intent manifested by the provision held invalid, void, or unenforceable.

12. **Governing Law.** This Agreement and all claims or causes of action (whether in contract or tort, in law or in equity, or granted by statute or otherwise) that may be based upon, arise out of or relate to this Agreement or the negotiation, execution, termination, validity, interpretation, construction, enforcement, performance or non-performance of this Agreement shall be governed by, and construed in accordance with, the laws of the State of Delaware, without giving effect to any choice or conflict of law principles that would cause the application of the laws of any other jurisdiction.

13. **Entire Agreement.** Subject to Section 7 hereof, this Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior agreements and understandings, oral, written, and implied, between the parties hereto with respect to the subject matter hereof.



14. **No Bar Orders.** The Company shall not seek from a court, or agree to, a “bar order” which would have the effect of prohibiting or limiting the Indemnitee’s rights to receive advancement of expenses under this Agreement.

15. **Jury Waiver.** EACH PARTY IRREVOCABLY AND UNCONDITIONALLY EXPRESSLY WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY ACTION, SUIT OR OTHER LEGAL PROCEEDING RELATING TO THIS AGREEMENT OR ANY RELATED CLAIM.

16. **Counterparts.** This Agreement may be executed in two or more counterparts (any of which may be delivered by facsimile or electronic transmission), each of which shall be an original, but all such counterparts shall together constitute but one and the same instrument.

17. **Interpretation.** The headings of this Agreement are inserted for convenience only and shall not be deemed to constitute part of this Agreement or to affect the construction hereof. Unless otherwise specified, all references in this Agreement to any “Section,” paragraph, clause or other subdivision are to the corresponding section, paragraph, clause or subdivision of this Agreement

18. **Notices.** All notices, demands, and other communications required or permitted hereunder shall be made in writing and shall be deemed to have been duly given if delivered by hand, against receipt, or mailed, postage prepaid, certified or registered mail, return receipt requested, and addressed

to the Company at:

190 Elgin Avenue  
George Town, Grand Cayman  
Cayman Islands KY1-9005

and

c/o Cambium Networks, Inc.  
3800 Golf Road, Suite 360  
Rolling Meadows, Illinois 60008  
Attn: General Counsel

to Indemnitee at:

[•]  
[•]

Notice of change of address shall be effective only when done in accordance with this Section. All notices complying with this Section shall be deemed to have been received on the date of delivery or on the third business day after mailing.

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

---

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Agreement as of the day specified above.

COMPANY:

[•]

By: \_\_\_\_\_

Name:

Title:

INDEMNITEE:

[INDEMNITEE]

\_\_\_\_\_  
SIGNATURE PAGE TO  
INDEMNIFICATION AGREEMENT

**REQUEST AND UNDERTAKING**

Cambium Networks Corporation  
190 Elgin Avenue  
George Town  
Grand Cayman, Cayman Islands KY1-9005  
Attn: General Counsel

To Whom It May Concern:

I request, pursuant to Section 2(c) of the Indemnification Agreement, dated as of [●] (the “**Indemnification Agreement**”), between Cambium Networks Corporation (the “**Company**”) and me, that the Company advance Expenses (as such term is defined in the Indemnification Agreement) incurred in connection with [*describe Proceeding*] (the “**Proceeding**”). I have attached an itemization, in reasonable detail, of the Expenses for which advancement is sought.

I undertake and agree to repay to the Company any funds advanced to me or paid on my behalf if it shall ultimately be determined that I am not entitled to indemnification. I shall make any such repayment promptly following written notice of any such determination.

I agree that payment by the Company of my expenses in connection with the Proceeding in advance of the final disposition thereof shall not be deemed an admission by the Company that it shall ultimately be determined that I am entitled to indemnification.

---

[Name]

Date:

**DATED**  
November 22, 2016

---

**RENEWAL LEASE BY REFERENCE TO AN EXISTING LEASE**

**PART UNIT A, LINHAY BUSINESS PARK, ASHBURTON, TQ13 7UP**

between

**STEPHANIE MYERS PALK, RICHARD JOHN PALK AND ALISON JUNE PALK**

and

**CAMBIUM NETWORKS, LTD**

**OTBEVELING**

EXETER  
EX1 1NT

Tel: 01392 823811  
DX: 122695 EXETER  
law@oteveling.com  
www.otbeveling.com

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**CONTENTS**

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**CLAUSE**

1. Interpretation	4
2. Grant	6
3. The Existing Lease	6
4. The Annual Rent	6
5. Review of the Annual Rent	7
6. Registration of this lease	7
7. Closure of the registered title of this lease	7
8. Section 62 of the Law of Property Act 1925	7
9. Entire agreement	7
10. Contracts (Rights of Third Parties) Act 1999	8
11. Governing law	8
12. Jurisdiction	8

**SCHEDULES**

SCHEDULE 1 VARIATIONS TO THE EXISTING LEASE	9
SCHEDULE 2 EXISTING LEASE	10

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**PRESCRIBED CLAUSES**

**LR1. Date of lease** November 22, 2016

**LR2. Title number(s)**

**LR2.1 Landlord's title number(s)**

DN245884

DN476182

DN526403

**LR2.2 Other title numbers**

**LR3. Parties to this lease**

**Landlord**

**STEPHANIE MYERS PALK, RICHARD JOHN PALK and ALISON JUNE PALK**

All care of Halsanger Manor, Ashburton, Devon, TQ13 7HY

**Tenant**

**CAMBIUM NETWORKS, LTD**

Of Unit B2 Linhay Business Park, Eastern Road, Ashburton, Newton Abbot, TQ13 7UP

Company number: 07752773

**Other parties**

None

**LR4. Property**

**In the case of a conflict between this clause and the remainder of this lease then, for the purposes of registration, this clause shall prevail.**

See the definition of "Property" in clause 1.1 of this lease and the definition of "Premises" in clause 1 of the Existing Lease.

**LR5. Prescribed statements etc.**

**LR5.1 Statements prescribed under rules 179 (dispositions in favour of a charity), 180 (dispositions by a charity) or 196 (leases under the Leasehold Reform, Housing and Urban Development Act 1993) of the Land Registration Rules 2003.**

None.

**LR5.2 This lease is made under, or by reference to, provisions of:**

None.

**LR6. Term for which the Property is leased**

The term as specified in this lease at clause 1.1 in the definition of “Contractual Term”.

**LR7. Premium**

None.

**LR8. Prohibitions or restrictions on disposing of this lease**

This lease contains a provision that prohibits or restricts dispositions.

**LR9. Rights of acquisition etc.**

**LR9.1 Tenant’s contractual rights to renew this lease, to acquire the reversion or another lease of the Property, or to acquire an interest in other land**

None.

**LR9.2 Tenant’s covenant to (or offer to) surrender this lease**

None.

**LR9.3 Landlord’s contractual rights to acquire this lease**

None.

**LR10. Restrictive covenants given in this lease by the Landlord in respect of land other than the Property**

None.

**LR11. Easements**

**LR11.1 Easements granted by this lease for the benefit of the Property**

The easements included in clause 1.1 of this lease in the definition of “Incorporated Terms” and specified in Schedule 2 of the Existing Lease.

**LR11.2 Easements granted or reserved by this lease over the Property for the benefit of other property**

The easements included in clause 1.1 of this lease in the definition of “Incorporated Terms” and specified in Schedule 3 of the Existing Lease.

---

**LR12. Estate rentcharge burdening the Property**

None.

**LR13. Application for standard form of restriction**

None.

**LR14. Declaration of trust where there is more than one person comprising the Tenant**

Not applicable



**PARTIES**

- (1) **STEPHANIE MYERS PALK, RICHARD JOHN PALK and ALISON JUNE PALK** all care of Halsanger Manor, Ashburton, Devon, TQ13 7HY (**Landlord**).
- (2) **CAMBIUM NETWORKS, LTD** incorporated and registered in England and Wales with company number 07752773 whose registered office is at Unit B2 Linhay Business Park, Eastern Road, Ashburton, Newton Abbot, TQ13 7UP (**Tenant**).

**BACKGROUND**

- (A) The Landlord is the freehold owner of the Property.
- (B) The residue of the term of the Existing Lease is vested in the Tenant.
- (C) The Landlord has agreed to grant a new lease of the Property to the Tenant on the terms set out in this lease.

**AGREED TERMS**

**1. INTERPRETATION**

The following definitions and rules of interpretation apply in this lease.

**1.1 Definitions:**

**Annual Rent:** rent at an initial rate of £94,400.00 per annum and then as revised pursuant to this lease and any interim rent determined under the LTA 1954.

**Contractual Term:** a term of years beginning on, and including 20 October 2016 and ending on, and including 19 October 2026.

**Existing Lease:** the lease by virtue of which the Tenant holds the Property, which is dated 13 November 2006 and made between (1) the Landlord and (2) Piping Hot Networks Limited (a copy of which is annexed to this lease at Schedule 2) and the documents made supplemental to it.

**Incorporated Terms:** all of the terms, requirements, covenants and conditions contained in the Existing Lease except to the extent that they are inconsistent with the clauses written in this lease and with such modifications as are necessary to make them applicable to this lease and the parties to this lease and as specifically varied by clause 3:

- (a) including:

- (i) the definitions and rules of interpretation in the Existing Lease;
  - (ii) the agreements and declarations contained in the Existing Lease;
  - (iii) the rights granted and reserved by the Existing Lease (including the right of re-entry and forfeiture);
  - (iv) the third party rights, restrictions and covenants affecting the Property; and
  - (v) the provisions for rent review contained in Schedule 5 of the Existing Lease.
- (b) but excluding any terms of the Existing Lease which are specifically excluded by the terms of this lease or substituted by the terms of this lease.

**Insurance Rent:** the rent thirdly reserved in clause 3 of the Existing Lease with such modifications as are necessary to make the provisions applicable to this lease.

**Landlord's Covenants:** the obligations in this lease, which include the obligations contained in the Incorporated Terms, to be observed by the Landlord.

**LTA 1954:** Landlord and Tenant Act 1954.

**Plan:** the plans attached to the Existing Lease.

**Property:** the property known as Part Unit A, Linhay Business Park, Ashburton, TQ13 7UP shown edged red and blue on the Plan and (in particular the plan numbered 3795.115 attached to the Existing Lease) as more particularly described in (and defined as 'the Premises' in) the Existing Lease.

**Rent Payment Dates:** 25 March, 24 June, 29 September and 25 December.

**Review Date:** 20 October 2021.

**Service Charge:** the rent secondly reserved in clause 3 of the Existing Lease with such modifications as are necessary to make the provisions applicable to this lease.

**Tenant's Covenants:** the obligations in this lease, which include the obligations contained in the Incorporated Terms, to be observed by the Tenant.

**VAT:** value added tax chargeable under the Value Added Tax Act 1994 and any similar replacement and any similar additional tax.

1.2 References to the landlord and tenant in the Existing Lease shall be read as references to the Landlord and Tenant in this lease.

**2. GRANT**

- 2.1 The Landlord lets the Property to the Tenant for the Contractual Term at the rents reserved.
- 2.2 This grant is made on the terms of this lease which include the Incorporated Terms as if they were set out in full in this lease.
- 2.3 The Tenant covenants with the Landlord that it will comply with the Tenant's Covenants.
- 2.4 The Landlord covenants with the Tenant that it will comply with the Landlord's Covenants.
- 2.5 The grant is made with the Tenant paying the following as rent to the Landlord:
  - (a) the Annual Rent and all VAT in respect of it;
  - (b) the Service Charge;
  - (c) the Insurance Rent; and
  - (d) any other sums due under this lease.

**3. THE EXISTING LEASE**

For the purposes of this lease only, the terms of the Existing Lease shall be varied as set out in the Schedule and this lease shall be read and construed accordingly.

**4. THE ANNUAL RENT**

- 4.1 The Tenant shall pay the Annual Rent and any VAT in respect of it by four equal instalments in advance on or before the Rent Payment Dates.
- 4.2 (Subject to clause 4.3) the first instalment of the Annual Rent shall be made on the first day of the Contractual Term and shall be the proportion, calculated on a daily basis, in respect of the period beginning on the first day of the Contractual Term and ending on the day before the next Rent Payment Date.
- 4.3 For the purpose of calculation of any payment due under this lease credit shall be given to the Tenant for any sum paid under the Existing Lease to the extent that it relates to a period after the expiry of the term of the Existing Lease or to the extent that it relates to any liability the Tenant otherwise has under this lease.

**5. REVIEW OF THE ANNUAL RENT**

On the Review Date the Annual Rent shall be reviewed in accordance with the Incorporated Terms.

**6. REGISTRATION OF THIS LEASE**

Following the grant of this lease, the Tenant shall without delay apply to register this lease at HM Land Registry. The Tenant shall ensure that any requisitions raised by HM Land Registry in connection with that application are dealt with promptly and properly. The Tenant shall send the Landlord official copies of the Tenant's title within one month of the registration being completed.

**7. CLOSURE OF THE REGISTERED TITLE OF THIS LEASE**

Within one month after the end of the term (and notwithstanding that the term has ended), the Tenant shall make an application to close the registered title of this lease and shall ensure that any requisitions raised by HM Land Registry in connection with that application are dealt with promptly and properly. The Tenant shall keep the Landlord informed of the progress and completion of its application.

**8. SECTION 62 OF THE LAW OF PROPERTY ACT 1925**

Except as mentioned in clause 2.2, neither the grant of this lease nor anything in it confers any right over neighbouring property nor is to be taken to show that the Tenant may have any right over neighbouring property, and section 62 of the Law of Property Act 1925 does not apply to this lease.

**9. ENTIRE AGREEMENT**

9.1 This lease and the documents annexed to it constitute the whole agreement between the parties and supersede all previous discussions, correspondence, negotiations, arrangements, understandings and agreements between them relating to their subject matter.

9.2 Each party acknowledges that in entering into this lease and any documents annexed to it it does not rely on, and shall have no remedies in respect of, any representation or warranty (whether made innocently or negligently).

9.3 Nothing in this lease constitutes or shall constitute a representation or warranty that the Property or any common parts over which the Tenant has rights under this lease may lawfully be used for any purpose allowed by this lease.

9.4 Nothing in this clause shall limit or exclude any liability for fraud.

10. **CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999**

A person who is not a party to this lease shall not have any rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this lease.

11. **GOVERNING LAW**

This lease and any dispute or claim arising out of or in connection with it or its subject matter or formation (including non-contractual disputes or claims) shall be governed by and construed in accordance with the law of England and Wales.

12. **JURISDICTION**

Each party irrevocably agrees that the courts of England and Wales shall have exclusive jurisdiction to settle any dispute or claim arising out of or in connection with this lease or its subject matter or formation (including non-contractual disputes or claims).

This document has been executed as a deed and is delivered and takes effect on the date stated at the beginning of it.

**Schedule 1**  
**Variations to the Existing Lease**

1. In the definition (in clause 1 of the Existing Lease) of 'Group Company' the reference to 'Section 736 of the Companies Act 1985' shall be deleted and replaced with 'Section 1159 of the Companies Act 2006.
2. The Definition of "Break Date" at Clause 1 of the Existing Lease shall be deleted and replaced by the following definition:  
"Break Date means 19 October 2021"
3. Clause 10.2.1 shall be deleted.
4. Clause 10.7 shall be deleted and replaced with the following:  
"The Break Notice shall be served by delivering it by hand or sending it by pre paid first class post or recorded delivery to the Landlord at the address specified in this lease or such other address as the Landlord shall have notified in writing to the Tenant."
5. Clause 10.13 shall be deleted and replaced with the following:-  
"If this lease terminates in accordance with clause 10 then, within fourteen (14) days of the date of such termination, the Landlord shall refund to the Tenant the proportion of the rents reserved by this lease, and any VAT paid in respect of them, for the period from (and excluding) the date of such termination up to (and including) the last day of the period in respect of which the relevant sum was paid."
6. Paragraph 1(3)(iii) of Schedule 5 of the Existing Lease shall be deleted and replaced with the following:-  
(ii) (without prejudice to paragraphs (c) and (d) of this definition) any works carried out to the Premises during the Term of this Lease or during the term of the Existing Lease by the Tenant or by any permitted underlessee in either case at its own expense in pursuance of a licence granted by the Landlord and otherwise than in pursuance of any obligation to the Landlord (other than the obligation contained in clause 4.4 of this Lease)'.  
'

---

**Schedule 2**

**Existing Lease**

Executed as a deed by  
STEPHANIE MYERS PALK, in the  
presence of:

\_\_\_\_\_

\_\_\_\_\_  
Witness name:  
Occupation:  
Address:

Executed as a deed by RICHARD  
JOHN PALK, in the presence of:

\_\_\_\_\_

\_\_\_\_\_  
Witness name:  
Occupation:  
Address:

Executed as a deed by ALISON  
JUNE PALK, in the presence of:

\_\_\_\_\_

\_\_\_\_\_  
Witness name:  
Occupation:  
Address:

Signed as a deed by CAMBIUM  
NETWORKS, LTD acting by

\_\_\_\_\_  
Director

a director, in the presence of:

\_\_\_\_\_  
Witness name:  
Occupation:  
Address:



DATED  
November 22, 2016

---

**RENEWAL LEASE BY REFERENCE TO AN EXISTING LEASE**

**UNIT B2/3, LINHAY BUSINESS PARK, ASHBURTON, TQ13 7UP**

between

**STEPHANIE MYERS PALK, RICHARD JOHN PALK AND ALISON JUNE PALK**

and

**CAMBIUM NETWORKS, LTD**

**OTBEVELING**

EXETER  
EX1 1NT

Tel: 01392 823811  
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law@otbeveling.com  
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**CONTENTS**

---

**CLAUSE**

1. Interpretation	1
2. Grant	3
3. The Annual Rent	3
4. Section 62 of the Law of Property Act 1925	4
5. Tenant's option to renew	4
6. Entire agreement	5
7. Contracts (Rights of Third Parties) Act 1999	5
8. Governing law	5
9. Jurisdiction	6

**SCHEDULE**

SCHEDULE 1 FURTHER LEASE	7
SCHEDULE 2 EXISTING LEASE	8

**PARTIES**

- (1) **STEPHANIE MYERS PALK, RICHARD JOHN PALK and ALISON JUNE PALK** all care of Halsanger Manor, Ashburton, Devon, TQ13 7HY (**Landlord**).
- (2) **CAMBIUM NETWORKS, LTD** incorporated and registered in England and Wales with company number 07752773 whose registered office is at Unit B2 Linhay Business Park, Eastern Road, Ashburton, Newton Abbot, TQ13 7UP (**Tenant**).

**BACKGROUND**

- (A) The Landlord is the freehold owner of the Property.
- (B) The residue of the term of the Existing Lease is vested in the Tenant.
- (C) The Landlord has agreed to grant a new lease of the Property to the Tenant on the terms set out in this lease.

**AGREED TERMS**

1. **INTERPRETATION**

The following definitions and rules of interpretation apply in this lease.

1.1 Definitions:

**Annual Rent:** rent at an initial rate of £68,370.00 per annum and any interim rent determined under the LTA 1954.

**Contractual Term:** a term of years beginning on, and including 20 October 2016 and ending on, and including 19 October 2017.

**Cut-Off Date:** 19 August 2017

**Existing Lease:** the lease by virtue of which the Tenant holds the Property, which is dated 18 April 2008 and made between (1) the Landlord (2) Blight & Scoble Limited and (3) Piping Hot Networks Limited (a copy of which is annexed to this lease at Schedule 3) and the documents made supplemental to it.

**Further Lease:** means a lease of the Property in the form of the draft annexed to this Lease at Schedule 1.

**Incorporated Terms:** all of the terms, requirements, covenants and conditions contained in the Existing Lease except to the extent that they are inconsistent with the clauses written in this lease and with such modifications as are necessary to make them applicable to this lease and the parties to this lease:

(A) including:

- (1) the definitions and rules of interpretation in the Existing Lease;
- (2) the agreements and declarations contained in the Existing Lease;
- (3) the rights granted and reserved by the Existing Lease (including the right of re-entry and forfeiture); and
- (4) the third party rights, restrictions and covenants affecting the Property.

(B) but excluding:-

- (1) any terms of the Existing Lease which are specifically excluded by the terms of this lease or substituted by the terms of this lease;
- (2) the rent secondly reserved under the Existing Lease;
- (3) the provisions of Schedule 5 to the Existing Lease.

**Insurance Rent:** the rent fourthly reserved in the Existing Lease with such modifications as are necessary to make the provisions applicable to this lease.

**Landlord's Covenants:** the obligations in this lease, which include the obligations contained in the Incorporated Terms, to be observed by the Landlord.

**LTA 1954:** Landlord and Tenant Act 1954.

**Plan:** the plans attached to the Existing Lease.

**Property:** the property known as Unit B2/3, Linhay Business Park, Ashburton, TQ13 7UP shown edged red on the Plan and as is more particularly described as the Premises in the Existing Lease.

**Rent Payment Dates:** 25 March, 24 June, 29 September and 25 December.

**Service Charge:** the rent secondly reserved in the Existing Lease with such modifications as are necessary to make the provisions applicable to this lease.

**Tenant's Covenants:** the obligations in this lease, which include the obligations contained in the Incorporated Terms, to be observed by the Tenant.

**VAT:** value added tax chargeable under the Value Added Tax Act 1994 and any similar replacement and any similar additional tax.

**Working Day:** a day that is not a Saturday, Sunday, a bank holiday or a public holiday in England.

1.2 References to the landlord and tenant in the Existing Lease shall be read as references to the Landlord and Tenant in this lease.

2. **GRANT**

2.1 The Landlord lets the Property to the Tenant for the Contractual Term at the rents reserved.

2.2 This grant is made on the terms of this lease which include the Incorporated Terms as if they were set out in full in this lease.

2.3 The Tenant covenants with the Landlord that it will comply with the Tenant's Covenants.

2.4 The Landlord covenants with the Tenant that it will comply with the Landlord's Covenants.

2.5 The grant is made with the Tenant paying the following as rent to the Landlord:

(A) the Annual Rent and all VAT in respect of it;

(B) the Service Charge;

(C) the Insurance Rent; and

(D) any other sums due under this lease.

3. **THE ANNUAL RENT**

3.1 The Tenant shall pay the Annual Rent and any VAT in respect of it by four equal instalments in advance on or before the Rent Payment Dates.

3.2 (Subject to clause 3.3) the first instalment of the Annual Rent shall be made on the first day of the Contractual Term and shall be the proportion, calculated on a daily basis, in respect of the period beginning on the first day of the Contractual Term and ending on the day before the next Rent Payment Date.

3.3 For the purposes of calculation of any payment under this lease, credit shall be given to the Tenant for any sum paid under the Existing Lease to the extent that it relates to a period after the expiry of the term of the Existing Lease or to the extent that it relates to any liability the Tenant otherwise has under this lease.

4. **SECTION 62 OF THE LAW OF PROPERTY ACT 1925**

Except as mentioned in clause 2.2, neither the grant of this lease nor anything in it confers any right over neighbouring property nor is to be taken to show that the Tenant may have any right over neighbouring property, and section 62 of the Law of Property Act 1925 does not apply to this lease

5. **TENANT'S OPTION TO RENEW**

5.1 If the Tenant wishes to enter into the Further Lease and, additionally, the Tenant has served written notice on the Landlord of its desire for the Further Lease not later than the Cut-Off Date (as to which time shall be of the essence) then PROVIDED the Tenant has paid all Rents due up to and including the date the written notice is served and PROVIDED that this lease has not, for whatever reason, determined the Landlord will grant and the Tenant will take the Further Lease of the Property on or (if earlier) not more than one month before the expiry of the Contractual Term (or if that day is not a Working Day, then the next following Working Day).

5.2 For the avoidance of doubt, the Further Lease shall not include a provision equivalent to this clause 5.

5.3 At any time after the expiry of the Contractual Term a party who is ready able and willing to complete the grant of the Further Lease may serve on the other a notice to complete the grant of the Further Lease in accordance with this clause 6 ("**Completion Notice**") and in connection with the service of any Completion Notice:

- (A) a party is ready able and willing to complete if it could be but for the default of the other party;
- (B) the parties are to complete the grant of the Further Lease within ten (10) Working Days of serving a Completion Notice (excluding the date on which the Completion Notice is served) as to which time shall be of the essence; and
- (C) if either party receives but fails to complete the grant of the Further Lease in accordance with a Completion Notice that has been validly served under this clause 5 then the party serving the Completion Notice may, by serving written notice on the other, rescind the option granted under this clause 5 but without prejudice to any other right or remedy of either party against the other.

6. **ENTIRE AGREEMENT**

- 6.1 This lease and the documents annexed to it constitute the whole agreement between the parties and supersede all previous discussions, correspondence, negotiations, arrangements, understandings and agreements between them relating to their subject matter.
- 6.2 Each party acknowledges that in entering into this lease and any documents annexed to it, it does not rely on, and shall have no remedies in respect of, any representation or warranty (whether made innocently or negligently).
- 6.3 Nothing in this lease constitutes or shall constitute a representation or warranty that the Property or any common parts over which the Tenant has rights under this lease may lawfully be used for any purpose allowed by this lease.
- 6.4 Nothing in this clause shall limit or exclude any liability for fraud.

7. **CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999**

A person who is not a party to this lease shall not have any rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this lease.

8. **GOVERNING LAW**

This lease and any dispute or claim arising out of or in connection with it or its subject matter or formation (including non-contractual disputes or claims) shall be governed by and construed in accordance with the law of England and Wales.

---

9. **JURISDICTION**

Each party irrevocably agrees that the courts of England and Wales shall have exclusive jurisdiction to settle any dispute or claim arising out of or in connection with this lease or its subject matter or formation (including non-contractual disputes or claims).

This document has been executed as a deed and is delivered and takes effect on the date stated at the beginning of it.







Executed as a deed by  
STEPHANIE MYERS PALK, in the presence  
of:

\_\_\_\_\_

\_\_\_\_\_  
Witness name:  
Occupation:  
Address:

Executed as a deed by RICHARD JOHN  
PALK, in the presence of:

\_\_\_\_\_

\_\_\_\_\_  
Witness name:  
Occupation:  
Address:

Executed as a deed by ALISON JUNE PALK,  
in the presence of:

\_\_\_\_\_

\_\_\_\_\_  
Witness name:  
Occupation:  
Address:

Signed as a deed by CAMBIUM NETWORKS,  
LTD acting by

\_\_\_\_\_

Director

a director, in the presence of:

\_\_\_\_\_  
Witness name:  
Occupation:  
Address:

DATED  
April 9, 2018

---

**RENEWAL LEASE BY REFERENCE TO AN EXISTING LEASE**

**UNIT B2/3, LINHAY BUSINESS PARK, ASHBURTON, TQ13 7UP**

between

**STEPHANIE MYERS PALK, RICHARD JOHN PALK AND ALISON JUNE PALK**

and

**CAMBIUM NETWORKS, LTD**

**OTBEVELING**

EXETER  
EX1 1NT

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**CONTENTS**

---

**CLAUSE**

1. Interpretation	4
2. Grant	6
3. The Previous Lease	6
4. The Annual Rent	6
5. Review of the Annual Rent	7
6. Registration of this lease	7
7. Closure of the registered title of this lease	7
8. Section 62 of the Law of Property Act 1925	7
9. Entire agreement	7
10. Contracts (Rights of Third Parties) Act 1999	8
11. Governing law	8
12. Jurisdiction	8

**SCHEDULE**

SCHEDULE 1 VARIATIONS TO THE PREVIOUS LEASE	9
SCHEDULE 2 PREVIOUS LEASE	11
SCHEDULE 3 EXISTING LEASE	12

**PRESCRIBED CLAUSES**

**LR1. Date of lease** April 9, 2018

**LR2. Title number(s)**

**LR2.1 Landlord's title number(s)**

DN245884

**LR2.2 Other title numbers**

**LR3. Parties to this lease**

**Landlord**

**STEPHANIE MYERS PALK, RICHARD JOHN PALK and ALISON JUNE PALK**

All care of Halsanger Manor, Ashburton, Devon, TQ13 7HY

**Tenant**

**CAMBIUM NETWORKS, LTD**

Of Unit B2 Linhay Business Park, Eastern Road, Ashburton, Newton Abbot, TQ13 7UP

Company number: 07752773

**Other parties**

None

**LR4. Property**

**In the case of a conflict between this clause and the remainder of this lease then, for the purposes of registration, this clause shall prevail.**

See the definition of "Property" in clause 1.1 of this lease and the definition of "Premises" in clause 1 of the Previous Lease.

**LR5. Prescribed statements etc.**

**LR5.1 Statements prescribed under rules 179 (dispositions in favour of a charity), 180 (dispositions by a charity) or 196 (leases under the Leasehold Reform, Housing and Urban Development Act 1993) of the Land Registration Rules 2003.**

None.

**LR5.2 This lease is made under, or by reference to, provisions of:**

None.

**LR6. Term for which the Property is leased**

The term as specified in this lease at clause 1.1 in the definition of “Contractual Term”.

**LR7. Premium**

None.

**LR8. Prohibitions or restrictions on disposing of this lease**

This lease contains a provision that prohibits or restricts dispositions.

**LR9. Rights of acquisition etc.**

**LR9.1 Tenant’s contractual rights to renew this lease, to acquire the reversion or another lease of the Property, or to acquire an interest in other land**

None.

**LR9.2 Tenant’s covenant to (or offer to) surrender this lease**

None.

**LR9.3 Landlord’s contractual rights to acquire this lease**

None.

**LR10. Restrictive covenants given in this lease by the Landlord in respect of land other than the Property**

None.

**LR11. Easements**

**LR11.1 Easements granted by this lease for the benefit of the Property**

The easements included in clause 1.1 of this lease in the definition of “Incorporated Terms” and specified in Schedule 2 of the Previous Lease.

**LR11.2 Easements granted or reserved by this lease over the Property for the benefit of other property**

The easements included in clause 1.1 of this lease in the definition of “Incorporated Terms” and specified in Schedule 3 of the Previous Lease.

---

**LR12. Estate rentcharge burdening the Property**

None.

**LR13. Application for standard form of restriction**

None.

**LR14. Declaration of trust where there is more than one person comprising the Tenant**

Not applicable



**PARTIES**

- (1) **STEPHANIE MYERS PALK, RICHARD JOHN PALK and ALISON JUNE PALK** all care of Halsanger Manor, Ashburton, Devon, TQ13 7HY (**Landlord**).
- (2) **CAMBIUM NETWORKS, LTD** incorporated and registered in England and Wales with company number 07752773 whose registered office is at Unit B2 Linhay Business Park, Eastern Road, Ashburton, Newton Abbot, TQ13 7UP (**Tenant**).

**BACKGROUND**

- (A) The Landlord is the freehold owner of the Property.
- (B) The residue of the term of the Existing Lease is vested in the Tenant.
- (C) The Landlord has agreed to grant a new lease of the Property to the Tenant on the terms set out in this lease.

**AGREED TERMS**

**1. INTERPRETATION**

The following definitions and rules of interpretation apply in this lease.

1.1 Definitions:

**Annual Rent:** rent at an initial rate of Sixty Eight Thousand Three Hundred and Seventy Pounds (£68,370) per annum and then as revised pursuant to this lease and any interim rent determined under the LTA 1954.

**Contractual Term:** a term of nine (9) years beginning on, and including 20 October 2017 and ending on, and including 19 October 2026.

**Existing Lease:** the lease by virtue of which the Tenant holds the Property which is dated [ ] 2016 and made between (1) the Landlord and (2) the Tenant (a copy of which is annexed in Schedule 3 to this lease) and the documents made supplemental to it.

**Incorporated Terms:** all of the terms, requirements, covenants and conditions contained in the Previous Lease except to the extent that they are inconsistent with the clauses written in this lease and with such modifications as are necessary to make them applicable to this lease and the parties to this lease and as specifically varied by clause 3:

- (a) including:

- (i) the definitions and rules of interpretation in the Previous Lease;
  - (ii) the agreements and declarations contained in the Previous Lease;
  - (iii) the rights granted and reserved by the Previous Lease (including the right of re-entry and forfeiture);
  - (iv) the third party rights, restrictions and covenants affecting the Property; and
  - (v) the provisions for rent review contained in Schedule 5 of the Previous Lease.
- (b) but excluding:
- (i) any terms of the Previous Lease which are specifically excluded by the terms of this lease or substituted by the terms of this lease;
  - (ii) the rent secondly reserved under the Previous Lease.

**Insurance Rent:** the rent fourthly reserved in clause 3 of the Previous Lease with such modifications as are necessary to make the provisions applicable to this lease.

**Landlord's Covenants:** the obligations in this lease, which include the obligations contained in the Incorporated Terms, to be observed by the Landlord.

**LTA 1954:** Landlord and Tenant Act 1954.

**Plan:** the plans attached to the Previous Lease.

**Previous Lease:** the lease of the Property, which is dated 13 November 2006 and made between (1) the Landlord and (2) Blight & Scoble Limited (3) Piping Hot Networks Limited (a copy of which is annexed in Schedule 2 to this lease) and the documents made supplemental to it.

**Property:** the property known as Unit B2/3, Linhay Business Park, Ashburton, TQ13 7UP shown edged red on the Plan and as more particularly described (and defined as 'the Premises') in the Previous Lease.

**Rent Payment Dates:** 25 March, 24 June, 29 September and 25 December.

**Review Date:** means 20 October 2021

**Service Charge:** the rent thirdly reserved in clause 3 of the Previous Lease with such modifications as are necessary to make the provisions applicable to this lease.

**Tenant's Covenants:** the obligations in this lease, which include the obligations contained in the Incorporated Terms, to be observed by the Tenant.

**VAT:** value added tax chargeable under the Value Added Tax Act 1994 and any similar replacement and any similar additional tax.

1.2 References to the landlord and tenant in the Previous Lease shall be read as references to the Landlord and Tenant in this lease.

## **2. GRANT**

2.1 The Landlord lets the Property to the Tenant for the Contractual Term at the rents reserved.

2.2 This grant is made on the terms of this lease which include the Incorporated Terms as if they were set out in full in this lease.

2.3 The Tenant covenants with the Landlord that it will comply with the Tenant's Covenants.

2.4 The Landlord covenants with the Tenant that it will comply with the Landlord's Covenants.

2.5 The grant is made with the Tenant paying the following as rent to the Landlord:

- (a) the Annual Rent and all VAT in respect of it;
- (b) the Service Charge;
- (c) the Insurance Rent; and
- (d) any other sums due under this lease.

## **3. THE PREVIOUS LEASE**

For the purposes of this lease only, the terms of the Previous Lease shall be varied as set out in Schedule 1 and this lease shall be read and construed accordingly.

## **4. THE ANNUAL RENT**

4.1 The Tenant shall pay the Annual Rent and any VAT in respect of it by four equal instalments in advance on or before the Rent Payment Dates.

4.2 (Subject to clause 4.3) the first instalment of the Annual Rent shall be made on the first day of the Contractual Term and shall be the proportion, calculated on a daily basis, in respect of the period beginning on the first day of the Contractual Term and ending on the day before the next Rent Payment Date.

4.3 For the purpose of the calculation of any payment under this lease credit shall be given to the Tenant for any sum paid under the Existing Lease to the extent that it relates to a period after the expiry of the term of the Existing Lease or to the extent that it relates to any liability the Tenant otherwise has under this lease.

**5. REVIEW OF THE ANNUAL RENT**

On the Review Date the Annual Rent shall be reviewed in accordance with the Incorporated Terms.

**6. REGISTRATION OF THIS LEASE**

Following the grant of this lease, the Tenant shall without delay apply to register this lease at HM Land Registry. The Tenant shall ensure that any requisitions raised by HM Land Registry in connection with that application are dealt with promptly and properly. The Tenant shall send the Landlord official copies of the Tenant's title within one month of the registration being completed.

**7. CLOSURE OF THE REGISTERED TITLE OF THIS LEASE**

Within one month after the end of the term (and notwithstanding that the term has ended), the Tenant shall make an application to close the registered title of this lease and shall ensure that any requisitions raised by HM Land Registry in connection with that application are dealt with promptly and properly. The Tenant shall keep the Landlord informed of the progress and completion of its application.

**8. SECTION 62 OF THE LAW OF PROPERTY ACT 1925**

Except as mentioned in clause 2.2, neither the grant of this lease nor anything in it confers any right over neighbouring property nor is to be taken to show that the Tenant may have any right over neighbouring property, and section 62 of the Law of Property Act 1925 does not apply to this lease.

**9. ENTIRE AGREEMENT**

9.1 This lease and the documents annexed to it constitute the whole agreement between the parties and supersede all previous discussions, correspondence, negotiations, arrangements, understandings and agreements between them relating to their subject matter.

- 9.2 Each party acknowledges that in entering into this lease and any documents annexed to it it does not rely on, and shall have no remedies in respect of, any representation or warranty (whether made innocently or negligently).
- 9.3 Nothing in this lease constitutes or shall constitute a representation or warranty that the Property or any common parts over which the Tenant has rights under this lease may lawfully be used for any purpose allowed by this lease.
- 9.4 Nothing in this clause shall limit or exclude any liability for fraud.

**10. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999**

A person who is not a party to this lease shall not have any rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this lease.

**11. GOVERNING LAW**

This lease and any dispute or claim arising out of or in connection with it or its subject matter or formation (including non-contractual disputes or claims) shall be governed by and construed in accordance with the law of England and Wales.

**12. JURISDICTION**

Each party irrevocably agrees that the courts of England and Wales shall have exclusive jurisdiction to settle any dispute or claim arising out of or in connection with this lease or its subject matter or formation (including non-contractual disputes or claims).

This document has been executed as a deed and is delivered and takes effect on the date stated at the beginning of it.

**Schedule 1 Variations to the Previous Lease**

**1. GROUP COMPANY (CLAUSE 1 OF THE PREVIOUS LEASE)**

In the definition (in clause 1 of the Previous Lease) of 'Group Company' the reference to 'Section 736 of the Companies Act 1985' shall be deleted and replaced with 'Section 1159 of the Companies Act 2006'

**2. TERM (CLAUSE 1 OF THE PREVIOUS LEASE)**

The Term, as defined in clause 1 of the Previous Lease, shall be the Contractual Term as defined in this lease.

**3. DECORATION (CLAUSE 4.7.1 OF THE PREVIOUS LEASE)**

3.1 In clause 4.7.1.1 of the Previous Lease, the year "2011" shall be deleted and replaced with "2020".

3.2 In clause 4.7.1.2 of the Previous Lease, the year "2013" shall be deleted and replaced with "2020".

3.3 The following proviso shall be added at the end of clause 4.7.1:

"Provided that the Tenant shall not be obliged to comply with its obligations in this clause in consecutive years".

**4. TENANT'S BREAK CLAUSE (CLAUSE 8 OF PREVIOUS LEASE)**

4.1 In clause 8.1, the date "19<sup>th</sup> October 2011" shall be deleted and replaced with "19<sup>th</sup> October 2021".

4.2 The following shall be added as a new clause 8.7:-

"(Notwithstanding clause 7.4) the Notice shall be served by delivering it by hand or sending it by pre-paid first class post or recorded delivery to the Landlord at the address specified in this lease or at such other address as the Landlords shall have previously notified to the Tenant in writing."

4.3 The following shall be added as a new clause 8.8:-

“If this lease terminates in accordance with clause 8.4 then, within fourteen (14) days of the date of such termination, the Landlord shall refund to the Tenant the proportion of the rents reserved by this lease, and any VAT paid in respect of them, for the period from (and excluding) the date of such termination up to (and including) the last day of the period in respect of which the relevant sum was paid.”

**5. RENT REVIEW (SCHEDULE 5 OF THE PREVIOUS LEASE)**

Paragraph 1(3)(iii) of Schedule 5 of the Previous Lease shall be deleted and replaced with the following:-

“(iii) (without prejudice to paragraphs (c) and (d) of this definition) any works carried out to the Premises during the Term of this Lease or during the term of the Previous Lease or the Existing Lease by the Tenant or by any permitted underlessee in either case at its own expense in pursuance of a licence granted by the Landlord and otherwise in pursuance of any obligation to the Landlord (other than the obligation contained in clause 4.4 of this Lease).”







/s/ Stephanie Myers Palk

Executed as a deed by  
STEPHANIE MYERS  
PALK, in the presence of:

/s/ Keith Bass  
Witness name:  
Occupation:  
Address:

/s/ Richard John Palk

Executed as a deed by RICHARD JOHN PALK, in  
the presence of:

/s/ Keith Bass  
Witness name:  
Occupation:  
Address:

/s/ Alison June Palk

Executed as a deed by ALISON JUNE PALK, in  
the presence of:

/s/ Keith Bass  
Witness name:  
Occupation:  
Address:

/s/ Atul Bhatnagar

Signed as a deed by CAMBIUM NETWORKS,  
LTD acting by

Director

a director, in the presence of:

/s/ Aarti Sharma  
Witness name:  
Occupation:  
Address:

**DATED**  
November 22, 2016

---

**RENEWAL LEASE BY REFERENCE TO AN EXISTING LEASE**  
**UNIT D1, LINHAY BUSINESS PARK, ASHBURTON, TQ13 7UP**

between

**STEPHANIE MYERS PALK, RICHARD JOHN PALK AND ALISON JUNE PALK**

and

**CAMBIUM NETWORKS, LTD**

**OTBEVELING**

EXETER  
EX1 1NT

Tel: 01392 823811  
DX: 122695 EXETER  
law@otbeveling.com  
www.otbeveling.com

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**CONTENTS**

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**CLAUSE**

1.	Interpretation	1
2.	Grant	3
3.	The Annual Rent	3
4.	Section 62 of the Law of Property Act 1925	4
5.	Tenant's option to renew	4
6.	Entire agreement	4
7.	Contracts (Rights of Third Parties) Act 1999	5
8.	Governing law	5
9.	Jurisdiction	5

**SCHEDULE**

SCHEDULE	1 FURTHER LEASE	6
SCHEDULE	2 EXISTING LEASE	7

**PARTIES**

- (1) **STEPHANIE MYERS PALK, RICHARD JOHN PALK and ALISON JUNE PALK** all care of Halsanger Manor, Ashburton, Devon, TQ13 7HY (**Landlord**).
- (2) **CAMBIUM NETWORKS, LTD** incorporated and registered in England and Wales with company number 07752773 whose registered office is at Unit B2 Linhay Business Park, Eastern Road, Ashburton, Newton Abbot, TQ13 7UP (**Tenant**).

**BACKGROUND**

- (A) The Landlord is the freehold owner of the Property.
- (B) The residue of the term of the Existing Lease is vested in the Tenant.
- (C) The Landlord has agreed to grant a new lease of the Property to the Tenant on the terms set out in this lease.

**AGREED TERMS**

**1. INTERPRETATION**

The following definitions and rules of interpretation apply in this lease.

**1.1 Definitions:**

**Annual Rent:** rent at an initial rate of £70,000.00 per annum and any interim rent determined under the LTA 1954.

**Contractual Term:** a term of years beginning on, and including 20 October 2016 and ending on, and including 19 October 2017.

**Cut-Off Date:** 17 August 2007

**Existing Lease:** the lease by virtue of which the Tenant holds the Property, which is dated 1 March 2012 and made between (1) the Landlord and (2) Cambium Networks, Ltd (a copy of which is annexed to this lease at Schedule 2) and the documents made supplemental to it.

**Further Lease:** means a further lease of the Property in the form of the draft annexed at Schedule 1.

**Incorporated Terms:** all of the terms, requirements, covenants and conditions contained in the Existing Lease except to the extent that they are inconsistent with the clauses written in this lease and with such modifications as are necessary to make them applicable to this lease and the parties to this lease:

(A) including:

- (1) the definitions and rules of interpretation in the Existing Lease;
- (2) the agreements and declarations contained in the Existing Lease;
- (3) the rights granted and reserved by the Existing Lease (including the right of re-entry and forfeiture); and
- (4) the third party rights, restrictions and covenants affecting the Property.

(B) but excluding:-

- (1) any terms of the Existing Lease which are specifically excluded by the terms of this lease or substituted by the terms of this lease;
- (2) the provisions of Schedule 5 to the Existing Lease.

**Insurance Rent:** the rent thirdly reserved in clause 3 of the Existing Lease with such modifications as are necessary to make the provisions applicable to this lease.

**Landlord's Covenants:** the obligations in this lease, which include the obligations contained in the Incorporated Terms, to be observed by the Landlord.

**LTA 1954:** Landlord and Tenant Act 1954.

**Plan:** the plans attached to the Existing Lease.

**Property:** the property known as Unit D1, Linhay Business Park, Ashburton, TQ13 7UP shown edged red on the Plan and as is more particularly described as the Premises in the Existing Lease.

**Rent Payment Dates:** 25 March, 24 June, 29 September and 25 December.

**Service Charge:** the rent secondly reserved in clause 3 of the Existing Lease with such modifications as are necessary to make the provisions applicable to this lease.

**Tenant's Covenants:** the obligations in this lease, which include the obligations contained in the Incorporated Terms, to be observed by the Tenant.

**VAT:** value added tax chargeable under the Value Added Tax Act 1994 and any similar replacement and any similar additional tax.

**Working Day:** a day that is not a Saturday, Sunday or a bank holiday or a public holiday in England.

1.2 References to the landlord and tenant in the Existing Lease shall be read as references to the Landlord and Tenant in this lease.

2. **GRANT**

2.1 The Landlord lets the Property to the Tenant for the Contractual Term at the rents reserved.

2.2 This grant is made on the terms of this lease which include the Incorporated Terms as if they were set out in full in this lease.

2.3 The Tenant covenants with the Landlord that it will comply with the Tenant's Covenants.

2.4 The Landlord covenants with the Tenant that it will comply with the Landlord's Covenants.

2.5 The grant is made with the Tenant paying the following as rent to the Landlord:

(A) the Annual Rent and all VAT in respect of it;

(B) the Service Charge;

(C) the Insurance Rent; and

(D) any other sums due under this lease.

3. **THE ANNUAL RENT**

3.1 The Tenant shall pay the Annual Rent and any VAT in respect of it by four equal instalments in advance on or before the Rent Payment Dates.

3.2 (Subject to clause 3.3) the first instalment of the Annual Rent shall be made on the first day of the Contractual Term and shall be the proportion, calculated on a daily basis, in respect of the period beginning on the first day of the Contractual Term and ending on the day before the next Rent Payment Date.

3.3 For the purpose of calculation of any payment under this lease credit shall be given to the Tenant for any sum paid under the Existing Lease to the extent that it relates to a period after the expiry of the term of the Existing Lease or to the extent that it relates to any liability of the Tenant otherwise has under this lease.

4. **SECTION 62 OF THE LAW OF PROPERTY ACT 1925**

Except as mentioned in clause 3.2, neither the grant of this lease nor anything in it confers any right over neighbouring property nor is to be taken to show that the Tenant may have any right over neighbouring property, and section 62 of the Law of Property Act 1925 does not apply to this lease

5. **TENANT'S OPTION TO RENEW**

5.1 If the Tenant wishes to enter into the Further Lease and, additionally, the Tenant has served written notice on the Landlord of its desire for the Further Lease not later than the Cut-Off Date (as to which time shall be of the essence) then PROVIDED the Tenant has paid all Rents due up to and including the date the written notice is served and PROVIDED that this lease has not, for whatever reason, determined the Landlord will grant and the Tenant will take the Further Lease of the Property on or (if earlier) not more than one month before the expiry of the Contractual Term (or, if that day is not a Working Day, then the next following Working Day).

5.2 At any time after the expiry of the Contractual Term a party who is ready able and willing to complete the grant of the Further Lease may serve on the other a notice to complete the grant of the Further Lease in accordance with this clause 6 ("**Completion Notice**") and in connection with the service of any Completion Notice:

- (A) a party is ready able and willing to complete if it could be but for the default of the other party;
- (B) the parties are to complete the grant of the Further Lease within ten (10) Working Days of serving a Completion Notice (excluding the date on which the Completion Notice is served) as to which time shall be of the essence; and
- (C) if either party receives but fails to complete the grant of the Further Lease in accordance with a Completion Notice that has been validly served under this clause 5 then the party serving the Completion Notice may by serving written notice on the other, rescind the option granted by this clause 5 but without prejudice to any other right or remedy of either party against the other.

6. **ENTIRE AGREEMENT**

6.1 This lease and the documents annexed to it constitute the whole agreement between the parties and supersede all previous discussions, correspondence, negotiations, arrangements, understandings and agreements between them relating to their subject matter.



6.2 Each party acknowledges that in entering into this lease and any documents annexed to it, it does not rely on, and shall have no remedies in respect of, any representation or warranty (whether made innocently or negligently).

6.3 Nothing in this lease constitutes or shall constitute a representation or warranty that the Property or any common parts over which the Tenant has rights under this lease may lawfully be used for any purpose allowed by this lease.

6.4 Nothing in this clause shall limit or exclude any liability for fraud.

7. **CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999**

A person who is not a party to this lease shall not have any rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this lease.

8. **GOVERNING LAW**

This lease and any dispute or claim arising out of or in connection with it or its subject matter or formation (including non-contractual disputes or claims) shall be governed by and construed in accordance with the law of England and Wales.

9. **JURISDICTION**

Each party irrevocably agrees that the courts of England and Wales shall have exclusive jurisdiction to settle any dispute or claim arising out of or in connection with this lease or its subject matter or formation (including non-contractual disputes or claims).

This document has been executed as a deed and is delivered and takes effect on the date stated at the beginning of it.





Executed as a deed by  
STEPHANIE MYERS PALK,  
in the presence of:

\_\_\_\_\_

\_\_\_\_\_  
Witness name:  
Occupation:  
Address:

Executed as a deed by  
RICHARD JOHN PALK, in  
the presence of:

—  
\_\_\_\_\_

\_\_\_\_\_  
Witness name:  
Occupation:  
Address:

Executed as a deed by  
ALISON JUNE PALK, in the  
presence of:

\_\_\_\_\_

\_\_\_\_\_  
Witness name:  
Occupation:  
Address:

Signed as a deed by  
CAMBIUM NETWORKS, LTD  
acting by

\_\_\_\_\_  
Director

a director, in the presence of:

\_\_\_\_\_  
Witness name:  
Occupation:  
Address:

**DATED**  
April 9, 2018

---

**RENEWAL LEASE BY REFERENCE TO AN EXISTING LEASE**

**UNIT D1, LINHAY BUSINESS PARK, ASHBURTON, TQ13 7UP**

between

**STEPHANIE MYERS PALK, RICHARD JOHN PALK AND ALISON JUNE PALK**

and

**CAMBIUM NETWORKS, LTD**

**OTB EVELING**

EXETER  
EX1 1NT

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**CONTENTS**

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<b>CLAUSE</b>		
1.	Interpretation	4
2.	Grant	6
3.	The Previous Lease	6
4.	The Annual Rent	6
5.	Review of the Annual Rent	7
6.	Registration of this lease	7
7.	Closure of the registered title of this lease	7
8.	Section 62 of the Law of Property Act 1925	7
9.	Entire agreement	7
10.	Contracts (Rights of Third Parties) Act 1999	8
11.	Governing law	8
12.	Jurisdiction	8
 <b>SCHEDULE</b>		
SCHEDULE	1 VARIATIONS TO THE PREVIOUS LEASE	9
SCHEDULE	2 PREVIOUS LEASE	14
SCHEDULE	3 EXISTING LEASE	15

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**PRESCRIBED CLAUSES**

**LR1. Date of lease** April 9, 2018

**LR2. Title number(s)**

**LR2.1 Landlord's title number(s)**

DN245884

**LR2.2 Other title numbers**

**LR3. Parties to this lease**

**Landlord**

**STEPHANIE MYERS PALK, RICHARD JOHN PALK and ALISON JUNE PALK**

All care of Halsanger Manor, Ashburton, Devon, TQ13 7HY

**Tenant**

**CAMBIUM NETWORKS, LTD**

Of Unit B2 Linhay Business Park, Eastern Road, Ashburton, Newton Abbot, TQ13 7UP

Company number: 07752773

**Other parties**

None

**LR4. Property**

**In the case of a conflict between this clause and the remainder of this lease then, for the purposes of registration, this clause shall prevail.**

See the definition of "Property" in clause 1.1 of this lease and the definition of "Premises" in clause 1 of the Previous Lease.

**LR5. Prescribed statements etc.**

**LR5.1 Statements prescribed under rules 179 (dispositions in favour of a charity), 180 (dispositions by a charity) or 196 (leases under the Leasehold Reform, Housing and Urban Development Act 1993) of the Land Registration Rules 2003.**

None.

**LR5.2 This lease is made under, or by reference to, provisions of:**

None.

**LR6. Term for which the Property is leased**

The term as specified in this lease at clause 1.1 in the definition of “Contractual Term”.

**LR7. Premium**

None.

**LR8. Prohibitions or restrictions on disposing of this lease**

This lease contains a provision that prohibits or restricts dispositions.

**LR9. Rights of acquisition etc.**

**LR9.1 Tenant’s contractual rights to renew this lease, to acquire the reversion or another lease of the Property, or to acquire an interest in other land**

None.

**LR9.2 Tenant’s covenant to (or offer to) surrender this lease**

None.

**LR9.3 Landlord’s contractual rights to acquire this lease**

None.

**LR10. Restrictive covenants given in this lease by the Landlord in respect of land other than the Property**

None.

**LR11. Easements**

**LR11.1 Easements granted by this lease for the benefit of the Property**

The easements included in clause 1.1 of this lease in the definition of “Incorporated Terms” and specified in Schedule 2 of the Previous Lease.

**LR11.2 Easements granted or reserved by this lease over the Property for the benefit of other property**

The easements included in clause 1.1 of this lease in the definition of “Incorporated Terms” and specified in Schedule 3 of the Previous Lease.



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**LR12. Estate rentcharge burdening the Property**

None.

**LR13. Application for standard form of restriction**

None.

**LR14. Declaration of trust where there is more than one person comprising the Tenant**

Not applicable

**PARTIES**

- (1) **STEPHANIE MYERS PALK, RICHARD JOHN PALK and ALISON JUNE PALK** all care of Halsanger Manor, Ashburton, Devon, TQ13 7HY (**Landlord**).
- (2) **CAMBIUM NETWORKS, LTD** incorporated and registered in England and Wales with company number 07752773 whose registered office is at Unit B2 Linhay Business Park, Eastern Road, Ashburton, Newton Abbot, TQ13 7UP (**Tenant**).

**BACKGROUND**

- (A) The Landlord is the freehold owner of the Property.
- (B) The residue of the term of the Existing Lease is vested in the Tenant.
- (C) The Landlord has agreed to grant a new lease of the Property to the Tenant on the terms set out in this lease.

**AGREED TERMS**

**1. INTERPRETATION**

The following definitions and rules of interpretation apply in this lease.

1.1 Definitions:

**Annual Rent:** rent at an initial rate of Seventy Thousand Pounds (£70,000) per annum and then as revised pursuant to this lease and any interim rent determined under the LTA 1954.

**Contractual Term:** a term of nine (9) years beginning on, and including 20 October 2017 and ending on, and including 19 October 2026.

**Existing Lease:** the lease by virtue of which the Tenant holds the Property which is dated [ ] 2016 and made between (1) the Landlord and (2) the Tenant (a copy of which is annexed in Schedule 3 to this lease) and the documents made supplemental to it.

**Incorporated Terms:** all of the terms, requirements, covenants and conditions contained in the Previous Lease except to the extent that they are inconsistent with the clauses written in this lease and with such modifications as are necessary to make them applicable to this lease and the parties to this lease and as specifically varied by clause 3:

- (a) including:

- (i) the definitions and rules of interpretation in the Previous Lease;
  - (ii) the agreements and declarations contained in the Previous Lease;
  - (iii) the rights granted and reserved by the Previous Lease (including the right of re-entry and forfeiture);
  - (iv) the third party rights, restrictions and covenants affecting the Property; and
- (b) but excluding any terms of the Previous Lease which are specifically excluded by the terms of this lease or substituted by the terms of this lease.

**Insurance Rent:** the rent fourthly reserved in clause 3 of the Previous Lease with such modifications as are necessary to make the provisions applicable to this lease.

**Landlord's Covenants:** the obligations in this lease, which include the obligations contained in the Incorporated Terms, to be observed by the Landlord.

**LTA 1954:** Landlord and Tenant Act 1954.

**Plan:** the plans attached to the Previous Lease.

**Previous Lease:** the lease of the Property, which is dated 1 March 2012 and made between (1) the Landlord and (2) the Tenant (a copy of which is annexed in Schedule 2 to this lease) and the documents made supplemental to it.

**Property:** the property known as Unit D1, Linhay Business Park, Ashburton, TQ13 7UP shown edged red on Plan 2 to the Previous Lease and as more particularly described in (and defined as 'the Premises' in) the Previous Lease.

**Rent Payment Dates:** 25 March, 24 June, 29 September and 25 December.

**Review Date:** means 20 October 2021

**Service Charge:** the rent thirdly reserved in clause 3 of the Previous Lease with such modifications as are necessary to make the provisions applicable to this lease.

**Tenant's Covenants:** the obligations in this lease, which include the obligations contained in the Incorporated Terms, to be observed by the Tenant.

**VAT:** value added tax chargeable under the Value Added Tax Act 1994 and any similar replacement and any similar additional tax.

1.2 References to the landlord and tenant in the Previous Lease shall be read as references to the Landlord and Tenant in this lease.

---

**2. GRANT**

- 2.1 The Landlord lets the Property to the Tenant for the Contractual Term at the rents reserved.
- 2.2 This grant is made on the terms of this lease which include the Incorporated Terms as if they were set out in full in this lease.
- 2.3 The Tenant covenants with the Landlord that it will comply with the Tenant's Covenants.
- 2.4 The Landlord covenants with the Tenant that it will comply with the Landlord's Covenants.
- 2.5 The grant is made with the Tenant paying the following as rent to the Landlord:
- (a) the Annual Rent and all VAT in respect of it;
  - (b) the Service Charge;
  - (c) the Insurance Rent; and
  - (d) any other sums due under this lease.

**3. THE PREVIOUS LEASE**

For the purposes of this lease only, the terms of the Previous Lease shall be varied as set out in Schedule 1 and this lease shall be read and construed accordingly.

**4. THE ANNUAL RENT**

- 4.1 The Tenant shall pay the Annual Rent and any VAT in respect of it by four equal instalments in advance on or before the Rent Payment Dates.
- 4.2 (Subject to clause 4.3) the first instalment of the Annual Rent shall be made on the first day of the Contractual Term and shall be the proportion, calculated on a daily basis, in respect of the period beginning on the first day of the Contractual Term and ending on the day before the next Rent Payment Date.
- 4.3 For the purpose of the calculation of any payment under this lease credit shall be given to the Tenant for any sum paid under the Existing Lease to the extent that it relates to a period after the expiry of the term of the Existing Lease or to the extent that it relates to any liability the Tenant otherwise has under this lease.

**5. REVIEW OF THE ANNUAL RENT**

On the Review Date the Annual Rent shall be reviewed in accordance with paragraph 3 of Schedule 1 to this lease.

**6. REGISTRATION OF THIS LEASE**

Following the grant of this lease, the Tenant shall without delay apply to register this lease at HM Land Registry. The Tenant shall ensure that any requisitions raised by HM Land Registry in connection with that application are dealt with promptly and properly. The Tenant shall send the Landlord official copies of the Tenant's title within one month of the registration being completed.

**7. CLOSURE OF THE REGISTERED TITLE OF THIS LEASE**

Within one month after the end of the term (and notwithstanding that the term has ended), the Tenant shall make an application to close the registered title of this lease and shall ensure that any requisitions raised by HM Land Registry in connection with that application are dealt with promptly and properly. The Tenant shall keep the Landlord informed of the progress and completion of its application.

**8. SECTION 62 OF THE LAW OF PROPERTY ACT 1925**

Except as mentioned in clause 2.2, neither the grant of this lease nor anything in it confers any right over neighbouring property nor is to be taken to show that the Tenant may have any right over neighbouring property, and section 62 of the Law of Property Act 1925 does not apply to this lease.

**9. ENTIRE AGREEMENT**

9.1 This lease and the documents annexed to it constitute the whole agreement between the parties and supersede all previous discussions, correspondence, negotiations, arrangements, understandings and agreements between them relating to their subject matter.

9.2 Each party acknowledges that in entering into this lease and any documents annexed to it it does not rely on, and shall have no remedies in respect of, any representation or warranty (whether made innocently or negligently).

9.3 Nothing in this lease constitutes or shall constitute a representation or warranty that the Property or any common parts over which the Tenant has rights under this lease may lawfully be used for any purpose allowed by this lease.

9.4 Nothing in this clause shall limit or exclude any liability for fraud.

**10. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999**

A person who is not a party to this lease shall not have any rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this lease.

**11. GOVERNING LAW**

This lease and any dispute or claim arising out of or in connection with it or its subject matter or formation (including non-contractual disputes or claims) shall be governed by and construed in accordance with the law of England and Wales.

**12. JURISDICTION**

Each party irrevocably agrees that the courts of England and Wales shall have exclusive jurisdiction to settle any dispute or claim arising out of or in connection with this lease or its subject matter or formation (including non-contractual disputes or claims).

This document has been executed as a deed and is delivered and takes effect on the date stated at the beginning of it.

**1. TERM**

The Term, as defined in clause 1 of the Previous Lease, shall be the Contractual Term as defined in this lease.

**2. TENANT'S BREAK CLAUSE**

2.1 The following shall be added as a new clause 10:-

**"10. TENANT'S BREAK CLAUSE**

- 10.1 The Tenant may determine this Lease on 19 October 2021 by serving on the Landlord not less than six months' prior written notice of determination (**'the Notice'**)
- 10.2 This Lease shall only determine as a result of the Notice if:-
  - 10.2.1 on the intended date of determination the Tenant gives vacant possession of the Premises to the Landlord; and
  - 10.2.2 on the intended date of determination the Tenant shall have paid up to date the rent first reserved in this Lease; and
  - 10.2.3 on the intended date of determination there shall be no continuing underleases
- 10.3 The Landlord may waive in its absolute discretion compliance with all or any of the conditions or obligations set out in clause 10.2 but unless otherwise expressly agreed in writing such waiver shall not relieve the Tenant from liability to comply with the relevant condition or obligation
- 10.4 If the provisions of this clause 10 are complied with then upon the expiry of the Notice, this Lease shall determine but without prejudice to any right of action of the Landlord in respect of any previous breach by the Tenant of this Lease and without prejudice also to the continuing operation of this clause 10
- 10.5 Time is of the essence in respect of this clause 10

10.6 Any notice of determination served under this clause 10 shall be irrevocable

10.7 If this Lease terminates in accordance with clause 10.4 then within fourteen (14) days of the date of such termination, the Landlord shall refund to the Tenant the proportion of the rents reserved by this Lease and any VAT paid in respect of them, for the period from (and excluding) the date of such termination up to (and including) the last day of the period in respect of which the relevant sum was paid”

2.2 The following shall be added as a new clause 8.7:-

“(Notwithstanding clause 7.4) the Notice shall be served by delivering it by hand or sending it by pre-paid first class post or recorded delivery to the Landlord at the address specified in this lease or at such other address as the Landlords shall have previously notified to the Tenant in writing.”

### 3. RENT REVIEW

Schedule 5 of the Previous Lease shall be deleted and replaced with the following:-

#### “SCHEDULE 5

##### The Rent first reserved and the review thereof

1 In this Lease the following expressions have the respective specified meanings:-

(1) “**Current Rent**” means the amount of the yearly rent first reserved by this Lease payable immediately before the Review Date

(2) “**Review Date**” means

(a) the 20 October 2021; and

(b) any date so stipulated by virtue of paragraph 6 of this Schedule

(3) “**Review Rent**” means the yearly market rack rental value which might reasonably be expected to be payable following the expiry of any period at the beginning of the term which might be negotiated in the open market but only for the purposes of fitting out during which no rent or a concessionary rent is



payable if the Premises had been let in the open market by a willing lessor to a willing lessee with vacant possession on the Review Date without fine or premium for term equal to a term of ten years with a rent review in the fifth year computed from the Review Date and otherwise upon the provisions (save as to the amount of the rent first reserved by this Lease but including the provisions for rent review) contained in this Lease and on the assumption if not a fact that the said provisions have been fully complied with and on the further assumptions that:-

- (a) the Permitted Use and the Premises comply with Planning Law and every other Enactment free from any onerous condition restriction and limitation and that the lessee may lawfully implement and carry on the Permitted Use
- (b) the Landlord would not unreasonably withhold consent to any purpose within Class B2 of the Schedule to the Town and Country Planning (Use Classes) Order 1987 as the Permitted Use
- (c) the premises which are the subject of the lease are fully fitted out for the lessee's business and are fit and fully equipped for immediate occupation and operation of the Permitted Use
- (d) no work has been carried out to the Premises which has diminished their rental value but that work undertaken by the Landlord will be rentalised
- (e) in case the Premises or any of the Common Parts have been destroyed or damaged they have been fully restored

but disregarding any effect on rent of:-

- (i) the fact that the Tenant or any underlessee or other occupier or their respective predecessors in title has been or is in occupation of the Premises or any other premises on the Estate
- (ii) any goodwill attached to the Premises by the carrying on in them or any other premises on the Estate of the business of the Tenant or any underlessee or their respective predecessors in title or other occupier
- (iii) (without prejudice to paragraph (c) and (d) of this definition) any works carried out to the Premises during the Term of this Lease or during the term at the Previous Lease or the Existing Lease (including the Tenant's Works) by the Tenant or any permitted underlessee in either case at its own expense in pursuance of a licence granted by the Landlord and otherwise than in pursuance of any obligation to the Landlord (other than the obligation contained in Clause 4.4 of this Lease).

- (iv) any contingent obligation on the Tenant to carry out works of reinstatement and restoration at the end of the Term
- (4) **“Review Surveyor”** means an independent chartered surveyor who is an independent chartered surveyor having not less than ten years practice next before the date of his appointment and recent substantial experience in the letting and valuation of premises of a similar character and quality to those of the Premises and who is a partner or director of a leading firm or company of surveyors having specialist market and valuation knowledge of such premises
- 2 The yearly rent first reserved and payable under this Lease for each year of the Term from and including the date of this Lease until the Review Date will be Seventy Thousand Pounds (£70,000) and thereafter
- 3 The yearly rent first reserved and payable from the Review Date until the expiry of the Term shall be the higher of:-
- (1) the Current Rent; and
- (2) the Review Rent
- 4 If the Landlord and the Tenant shall not have agreed the Review Rent by the date three months before the Review Date it shall (without prejudice to the ability of the Landlord and the Tenant to agree it any time) be assessed as follows:-
- (1) the Review Surveyor shall (in the case of agreement about his appointment) be forthwith appointed by the Landlord and the Tenant to assess the Review Rent or (in the absence of agreement at any time about his appointment) be nominated to assess the Review Rent by or on behalf of the President for the time being of The Royal Institution of Chartered Surveyors on the application of the Landlord or the Tenant
- (2) Unless the Landlord and the Tenant agree that the Review Surveyor shall act as an expert (which they may not do save with the consent also of the Review Surveyor after the appointment has been made) he shall act as an arbitrator and the arbitration shall be conducted in accordance with the Arbitration Act 1996 as amended from time to time

- (3) If the Review Surveyor is appointed as an expert he shall be required to give notice to the Landlord and the Tenant inviting each of them to submit to him within such time limits as he shall stipulate a proposal for the Review Rent supported (if so desired by either of the parties) by any or all of:-
- (i) a statement of reasons;
  - (ii) a professional rental valuation; and (separately and later)
  - (iii) submissions in respect of each other's statement of reasons and valuation
- but he shall not be bound thereby and shall make the determination in accordance with its own judgement
- (4) If the Review Surveyor whether appointed as arbitrator or expert refuses to act or is or becomes incapable of acting or dies the Landlord or the Tenant may apply to the President for the further appointment of another Review Surveyor
- 5 If the Review Rent has not been agreed or assessed by the Review Date the Tenant shall:-
- (1) continue to pay the Current Rent on account until such time as the Review Rent shall be agreed or assessed
  - (2) pay the Landlord without fourteen days after the agreement or assessment of the Review Rent the amount (if any) by which the Review Rent for the period commencing on the Review Date and ending on the quarter day following the date of payment exceeds the Current Rent paid on account for the same period plus interest (but calculated at the base rate of the Bank of Scotland) for each instalment of rent due on and after the Review Date on the difference between what would have been paid on that rent day had the Review Rent been fixed and the amount paid on account (the interest being payable from the date on which the instalment was due up to the date of payment of the shortfall)
- 6 If any Enactment restricts the right to review rent or to recover an increase in rent otherwise payable then when the restriction is released the Landlord may at any time within six months after the date of release give to the Tenant not less than one month's notice requiring an additional rent review as at the next following quarter day which shall for the purposes of this Lease be a Review Date
- 7 Time shall not be of the essence for the purposes of this Schedule.





Executed as a deed by  
STEPHANIE MYERS PALK, in the  
presence of:

/s/ Stephanie Myers Palk

/s/ Keith Bass

Witness name:

Occupation:

Address:

Executed as a deed by RICHARD  
JOHN PALK, in the presence of:

/s/ Richard John Palk

/s/ Keith Bass

Witness name:

Occupation:

Address:

Executed as a deed by ALISON  
JUNE PALK, in the presence of:

/s/ Alison June Palk

/s/ Keith Bass

Witness name:

Occupation:

Address:

Signed as a deed by CAMBIUM  
NETWORKS, LTD acting by

/s/ Atul Bhatnagar

Director

a director, in the presence of:

/s/ Aarti Sharma

Witness name:

Occupation:

Address:

**OFFICE LEASE**

**ATRIUM CORPORATE CENTER**

**ATRIUM AT 3800 GOLF LLC, a Delaware limited liability company,**

**(LANDLORD)**

**and**

**CAMBIUM NETWORKS, INC., a Delaware corporation,**

**(TENANT)**

TABLE OF CONTENTS

	<u>Page</u>
ARTICLE 1: PREMISES AND COMMON AREAS	3
1.1 The Premises	3
1.2 Common Areas	4
1.3 Freight Elevators	4
1.4 Loading Docks	4
1.5 Cafeteria and Fitness Center	5
1.6 Conference and Training Rooms	5
ARTICLE 2: LEASE TERM	6
2.1 Initial Term	6
2.2 Renewal Options	6
ARTICLE 3: BASE RENT	9
ARTICLE 4: ADDITIONAL RENT	10
4.1 Additional Rent	10
4.2 Operating Expenses	10
4.3 Tax Expenses	12
4.4 Allocation of Expenses	12
4.5 Calculation and Payment of Additional Rent	13
4.6 Taxes and Other Charges for Which Tenant is Directly Responsible	14
4.7 Landlord's Books and Records	14
4.8 Tenant's Electricity Cost	15
ARTICLE 5: USE OF PREMISES	16
5.1 Permitted Use	16
5.2 Prohibited Uses	16
5.3 Rules and Regulations	16
5.4 Exclusive	16
5.5 Satellite/Antenna Equipment	17
ARTICLE 6: SERVICES AND UTILITIES	20
6.1 Standard Tenant Services	20
6.2 Requirements of Tenant	21
6.3 Interruption of Use	21
ARTICLE 7: REPAIRS	21
7.1 Landlord's Obligations	21
7.2 Tenant's Obligations	22
ARTICLE 8: ALTERATIONS	22
8.1 Landlord's Consent to Alterations	22
8.2 Manner of Construction	23
8.3 Payment for Alterations	23
8.4 Landlord's Property	23
8.5 Initial Alterations	24
ARTICLE 9: COVENANT AGAINST LIENS	24
ARTICLE 10: INSURANCE AND INDEMNIFICATION	24
10.1 Indemnification and Waiver	24
10.2 Tenant's Compliance With Landlord's Fire and Casualty Insurance	25
10.3 Tenant's Insurance	25
10.4 Form of Policies	26



**TABLE OF CONTENTS**

(continued)

	<u>Page</u>
10.5 Subrogation	26
ARTICLE 11: DAMAGE AND DESTRUCTION	26
11.1 Damage	26
11.2 Abatement of Rent; Tenant’s Remedies	27
11.3 Waiver	27
11.4 Notice of Damage	27
11.5 Replacement Cost	27
11.6 Tenant’s Right to Terminate	27
ARTICLE 12: HAZARDOUS MATERIALS	27
12.1 Hazardous Materials	27
12.2 Indemnification	28
12.3 Waiver	28
ARTICLE 13: CONDEMNATION	28
ARTICLE 14: ASSIGNMENT AND SUBLETTING	29
14.1 Transfers	29
14.2 Landlord’s Consent	29
14.3 Transfer Premium	30
14.4 Recapture	30
14.5 Effect of Transfer	30
14.6 Occurrence of Default	30
14.7 Review Fees	30
14.8 Permitted Transfers	31
ARTICLE 15: SURRENDER OF PREMISES	31
ARTICLE 16: HOLDING OVER	31
ARTICLE 17: ESTOPPEL CERTIFICATES	32
ARTICLE 18: SUBORDINATION	32
ARTICLE 19: DEFAULTS; REMEDIES	33
19.1 Events of Default	33
19.2 Remedies	34
19.3 Default by Landlord	35
19.4 Tenant’s Waiver of Rights	35
19.5 Cumulative Remedies	35
ARTICLE 20: COVENANT OF QUIET ENJOYMENT	35
ARTICLE 21: SECURITY DEPOSIT	35
ARTICLE 22: SIGNS	36
22.1 Signs Generally	36
22.2 Entrance Monument Sign	36
22.3 Tenant’s Sign Panel	36
ARTICLE 23: COMPLIANCE WITH LAW	37
ARTICLE 24: LATE CHARGES	37
ARTICLE 25: LANDLORD’S RIGHT TO CURE DEFAULT; PAYMENTS BY TENANT	37
25.1 Landlord’s Cure	37
25.2 Tenant’s Reimbursement	37
ARTICLE 26: ENTRY BY LANDLORD	38
ARTICLE 27: SECURITY	38
ARTICLE 28: MISCELLANEOUS PROVISIONS	39

**TABLE OF CONTENTS**

(continued)

	<b><u>Page</u></b>
28.1 Terms; Captions	39
28.2 Binding Effect	39
28.3 Excepted Rights	39
28.4 Transfer of Landlord's Interest	40
28.5 Prohibition Against Recording	40
28.6 Landlord's Title	40
28.7 Relationship of Parties	40
28.8 Time of Essence	40
28.9 Partial Invalidity	41
28.10 Landlord Exculpation	41
28.11 Right to Lease	41
28.12 Force Majeure	41
28.13 Notices	41
28.14 Joint and Several Tenant	41
28.15 Authority	42
28.16 Attorneys' Fees	42
28.17 Governing Law	42
28.18 Submission of Lease	42
28.19 Brokers	42
28.20 Independent Covenants	42
28.21 Counterparts	42
28.22 Confidentiality	42
28.23 Transportation Management	42
28.24 No Violation	43
28.25 Non-Waiver	43
28.26 Headcount	43
28.27 Financial Information	43
28.28 Survival	43
28.29 Relocation	43
28.30 OFAC Certification	43
28.31 ERISA	44
28.32 Option to Terminate	44
28.33 Right of First Refusal	45
28.34 Tenant Financing	46
<b>ARTICLE 29: MISCELLANEOUS DEFINITIONS</b>	<b>47</b>
29.1 Additional Rent	47
29.2 Alterations	47
29.3 Ancillary Facilities	47
29.4 Base Building	47
29.5 Building Hours	47
29.6 Building Structure	47
29.7 Building Systems	47
29.8 Claim(s)	47
29.9 Common Areas	47
29.10 Comparable Buildings	47
29.11 Control	47
29.12 Default Damages	48
29.13 Emergency	48
29.14 Environmental Laws	48
29.15 Expense Year	48
29.16 Force Majeure	48
29.17 Hazardous Material(s)	48

**TABLE OF CONTENTS**

(continued)

	<b><u>Page</u></b>
29.18 Holiday	48
29.19 Interest	48
29.20 Labor Dispute	48
29.21 Landlord Related Parties	48
29.22 Law(s)	49
29.23 Lease Year	49
29.24 Loading Dock Hours	49
29.25 Minor Alterations	49
29.26 Mortgage	49
29.27 Mortgagee	49
29.28 Notices	49
29.29 Prime Rate	49
29.30 Rent	49
29.31 Required Removables	49
29.32 Structural Work	49
29.33 Superior Agreements	50
29.34 Tenant's Property	50
29.35 Tenant Related Parties	50
29.36 Transfer	50
29.37 Transfer Premium	50
29.38 Transferee	50
ARTICLE 30: ENTIRE AGREEMENT	50

This Office Lease (the “**Lease**”), dated as of the date set forth in Section 1 of the Summary of Basic Lease Information (the “**Summary**”), below, is made by and between Atrium at 3800 Golf LLC, a Delaware limited liability company (“**Landlord**”), and Cambium Networks, Inc., a Delaware corporation (“**Tenant**”).

**SUMMARY OF BASIC LEASE INFORMATION**

1. Date: January 30, 2012 (“**Effective Date**”)
2. Property
  - 2.1 Premises: Located on the first and third floors of the Building and known as Suites 155 and 360, as further set forth in **Exhibit A** attached hereto. The Rentable Square Footage of the Premises is deemed to be 34,198 square feet, consisting of approximately 4,328 square feet on the first floor and approximately 29,870 square feet on the third floor. Landlord and Tenant stipulate and agree that the Rentable Square Footage of the Premises is correct and shall not be remeasured.
  - 2.2 Building: That certain building located at 3800 Golf Road, Rolling Meadows, Illinois. The Rentable Square Footage of the Building is deemed to be 483,000 square feet. Landlord and Tenant stipulate and agree that the Rentable Square Footage of the Building is correct and shall not be remeasured.
  - 2.3 Property: The Building, Common Areas and parcel(s) of real property on which the Building and all Common Areas are situated and, at Landlord’s discretion, the Building parking areas and other improvements serving the Building, if any, and the parcel(s) of real property on which they are located.
3. Lease Term (Article 2)
  - 3.1 Length of Initial Term: One Hundred Thirty (130) months.
  - 3.2 Lease Commencement Date: The Initial Term shall commence on May 1, 2012.
  - 3.3 Lease Expiration Date: Unless terminated early in accordance with this Lease, February 28, 2023, subject to any extension(s) pursuant to Section 2.2 of this Lease.
  - 3.4 Option Term: Two (2) options to renew of five (5) years each, as more particularly set forth in Section 2.2 of this Lease.
4. Base Rent:

<u>Lease Year</u>	<u>Annual Base Rent*</u>	<u>Monthly Installment of Base Rent</u>	<u>Annual Rental Rate per Rentable Square Foot</u>
1	\$ 692,509.50	\$ 57,709.13	\$ 20.25
2	\$ 709,608.50	\$ 59,134.04	\$ 20.75

3	\$	726,707.50	\$	60,558.96	\$	21.25
4	\$	743,806.50	\$	61,983.88	\$	21.75
5	\$	760,905.50	\$	63,408.79	\$	22.25
6	\$	778,004.50	\$	64,833.71	\$	22.75
7	\$	795,103.50	\$	66,258.63	\$	23.25
8	\$	812,202.50	\$	67,683.54	\$	23.75
9	\$	829,301.50	\$	69,108.46	\$	24.25
10	\$	846,400.50	\$	70,533.38	\$	24.75
11	\$	863,499.50	\$	71,958.29	\$	25.25

\* based upon 34, 198 square feet

Notwithstanding anything in this Lease to the contrary, so long as an Event of Default has not occurred, Tenant shall be entitled to an abatement of Base Rent for the first twelve (12) consecutive full calendar months of the Lease Term, beginning with the first full calendar month of the Term (the “**Rent Abatement Period**”). The total amount of Base Rent abated during the Base Rent Abatement Period shall equal \$692,509.50 (the “**Abated Rent**”). If an Event of Default occurs at any time during the Lease Term, then from and after the Event of Default, Tenant’s right to abate the Abated Rent shall immediately cease. During the Rent Abatement Period, only the Abated Rent shall be abated, and all other costs and charges specified in this Lease as Additional Rent shall remain as due and payable pursuant to this Lease. In the event Tenant is unable to recapture the full amount set forth above, Tenant shall have no further right to recapture nor any right or claim against Landlord for any unrecovered amount.

5. Base Year (Article 4): Calendar year 2012, subject to the terms of Section 4.5.3
6. Tenant’s Share (Article 4): Seven and twenty-five one hundredths percent (7.25%)
7. Permitted Use (Article 5): General office purposes, including electrical power testing for research and development purposes and for no other purpose.
8. Security Deposit (Article 21): One Hundred Fifteen Thousand, Four Hundred Eighteen and 26/100 Dollars (\$115,418.26)), subject to Article 21.
9. Broker(s): CBRE, Inc. representing Landlord (“**Landlord’s Broker**”) and CBRE, Inc. representing Tenant (“**Tenant’s Broker**”).
10. Guarantor: None.
11. Allowances (**Exhibit C**): Allowance: Forty-Six Dollars (\$46.00) per Rentable Square Footage in the Premises, i.e., One Million Five Hundred Seventy-Three Thousand One Hundred Eight Dollars (\$1,573,108.00).

Design Allowance: collectively, \$3,419.80 for the space plan for the Initial Alterations (“**Initial Design Allowance**”) and if necessary, an additional \$1,493.50 (the “**Secondary Design Allowance**”) only if Tenant needs to revise the space plan for the third floor.

12. Notice Addresses:

**Landlord:**

Atrium at 3800 Golf LLC  
c/o Spear Street Capital  
One Market Plaza  
Spear Tower, Suite 4125  
San Francisco, CA 94105  
Attention: John Grassi

**With a copy to:**

Neal, Gerber & Eisenberg LLP  
2 North LaSalle Street  
Chicago, IL 60602  
Attention: Ellen B. Friedler

**Tenant:**

**Prior to the Commencement Date:**

Cambium Networks, Inc.  
1299 E. Algonquin Road  
Schaumburg, IL 60196

**After the Commencement Date, notices shall be given to Tenant at the Premises.**

**With a copy to:**

Kirkland & Ellis LLP  
300 North LaSalle Street  
Chicago, IL 60654  
Attention: Roberto S. Miceli

**ARTICLE 1: PREMISES AND COMMON AREAS**

1.1 **The Premises.**

1.1.1 **Demising of Premises.** Landlord hereby leases to Tenant and Tenant hereby leases from Landlord the Premises set forth in Section 2.1 of the Summary, as depicted on and configured on **Exhibit A.**

1.1.2 **Terms and Conditions of Lease.** The parties agree that the lease of the Premises is upon and subject to the terms, conditions and conditions herein set forth.

1.1.3 **Condition of Premises.** Tenant acknowledges and agrees that (a) the Premises are accepted by Tenant in their “as-is” condition (except as expressly set forth below) and configuration and that by taking possession of the Premises, Tenant agrees that the Premises are in good order and satisfactory condition, (b) neither Landlord nor any agent or employee of Landlord has made any representation or warranty regarding the condition of the Premises, the Building or the Property or regarding the suitability of the Premises, the Building or the Property for the conduct of Tenant’s business, and (c) Landlord has no obligation to improve or repair the Premises, the Building or the Property, except as specifically set forth in this Lease. Notwithstanding anything contained herein to the contrary, Tenant shall have thirty (30) days after the date that is the later to occur of (a) the date Landlord

delivers possession of the Premises to Tenant and (b) the date of completion of the Landlord Work in which to discover and notify Landlord of any defects in the Landlord Work. Landlord shall be responsible for the correction of any defects in the Landlord Work with respect to which it received timely notice from Tenant.

1.1.4 **Compliance with Laws.** Landlord represents and warrants that, as of the date hereof, Landlord has not received written notice from any governmental authority that the Premises is in violation of any Laws. To the best of Landlord's knowledge, Landlord represents and warrants that the Premises does not contain any Hazardous Materials in violation of Laws. In the event Hazardous Materials exist in the Premises in violation of Laws as of delivery date (the "Pre-Existing Hazardous Materials"), Landlord, at its cost, will remediate such Pre-Existing Hazardous Materials in accordance with all applicable Laws.

1.2 **Common Areas.** Tenant shall have the non-exclusive right to use the Common Areas in common with Landlord and other tenants in the Property, subject to the rules and regulations attached hereto as **Exhibit B**. Certain of the amenities and rights to use the areas of the Building outside of the Premises that are granted to Tenant under other Sections of this **Article 1** shall be treated as Common Areas and shall be subject to the provisions of this **Section 1.2** if such amenities are of the type also made available in common with other tenants or occupants of the Building, provided that in the event of any direct conflict between the provisions of this **Section 1.2** and the provisions of such other sections, such other provisions shall control. Notwithstanding anything to the contrary contained herein, subject to closures due to Force Majeure or temporary closures in connection with maintenance, improvements, remodeling or repairs, Tenant and its employees shall have the right to use up to 4 unreserved parking spaces in the Common Areas per 1,000 square feet of rentable area in the Premises.

1.3 **Freight Elevators.** Tenant, at no cost or expense (other than Tenant's obligation to pay Tenant's Share of the Expense Excess as set forth in **Article 4** hereof), shall have reasonable use of a freight elevator or other elevator designated by Landlord from time to time for freight use (such use shall be in common with Landlord and others to whom Landlord has granted such right) located in the Common Areas during Building Hours, which use shall be in a manner, and at such times as reasonably designated by Landlord, and shall be at Tenant's own risk.

1.4 **Loading Docks.** Other than deliveries of small packages that can be delivered using a light-weight hand truck, all deliveries shall be made through the Building loading docks during the Loading Dock Hours. Tenant's use of the loading dock areas during Loading Dock Hours for receiving and shipping ordinary packages shall be free of charge, and shall be made in a manner, and at such reasonable times as designated by Landlord, and shall be at Tenant's own risk. Tenant shall take reasonable and appropriate security measures necessary in connection with receiving or shipping items from the loading dock areas. Tenant may not leave inbound or outbound shipments on the loading dock except for a reasonable time to stage shipment and at no time will any shipment or other property of Tenant remain on the loading dock after the Loading Dock Hours, without the prior consent of Landlord. Tenant will arrange for staging of large shipments in advance of requiring the same and such large shipments will only be permitted in the loading dock areas and at the times reasonably designated by Landlord. If Landlord, in its sole discretion, permits Tenant to use a loading dock area after Loading Dock Hours, Tenant shall pay Landlord a loading dock charge for such use outside of Loading Dock Hours. If Tenant leaves shipments or Tenant's property on the loading dock after Loading Dock Hours, without Landlord consent, in addition to the other remedies set forth in this Lease, Landlord shall have the right to charge Tenant a fee for each hour that such shipment or property remains on the loading dock in an amount equal to Fifty Dollars (\$50.00) per hour. Notwithstanding the payment of such fee, any such shipment or property remaining on the loading dock shall remain there at Tenant's sole risk and Landlord shall not be responsible therefor.

**1.5 Cafeteria and Fitness Center.** Tenant's employees shall have the right to use the fitness center and cafeteria located on the first floor of the Building, provided an Event of Default has not occurred, and Tenant's employees shall be responsible for (a) payment for all charges at the stated rates then being charged by Landlord (or Landlord's Operator) for meals and other items purchased at the cafeteria and (b) payment for all charges at the stated rates then being charged by Landlord (or Landlord's Operator) for the use of the fitness center. Landlord may require that Tenant's employees who use the fitness center sign releases of liability and other required forms in form and substance acceptable to Landlord. The use of such facilities by Tenant and its employees shall be subject to the reasonable rules and regulations established from time to time by Landlord, and compliance with the other provisions of this Section 1.5. Landlord and Tenant acknowledge that the use of such facilities by users shall be at their own risk and that the terms and provisions of Section 10.1.1 of this Lease shall apply to Tenant and the user's use of such facilities. The cost of operating, maintaining and repairing such facilities may be included as part of Operating Expenses. Notwithstanding any other provision contained herein to the contrary, (i) Landlord reserves the right to expand, reduce, or modify upon not less than thirty (30) days prior written notice to Tenant all or any such services or access to the cafeteria or fitness center and to temporarily suspend services or access to the cafeteria or fitness center or to terminate the cafeteria services (subject to clause [ii] below) as necessary in Landlord's reasonable judgment in connection with a change in the Operator or in connection with repairs, replacements or other alterations Landlord is required or desires to perform; and (ii) if Landlord permanently discontinues cafeteria service during the Lease Term, Landlord shall, within sixty (60) days thereafter, provide an alternative on-site fresh food and vending service (not necessarily including any seating area). No expansion, reduction, modification or temporary suspension of such facilities or termination of the cafeteria services, and no temporary suspension of Tenant's or the users' rights to such facilities shall entitle Tenant to an abatement or reduction in Rent, or constitute a constructive eviction, or result in an event of default by Landlord under this Lease. Landlord hereby reserves the right to enter into a management agreement or lease with an entity for the fitness center and/or the cafeteria ("**Operator**"). In such event, Tenant, upon request of Landlord, shall enter into an agreement with the Operator upon terms and conditions consistent with the terms of this Lease, and Landlord shall have no liability for Claims arising through acts or omissions of the Operator unless caused by Landlord's gross negligence or willful misconduct. It is understood and agreed that the identity of the Operator may change from time to time during the Lease Term. In connection therewith, any agreement entered into between Tenant and an Operator shall be freely assignable by such Operator or any successors thereto. Landlord shall have the right to grant the Operator of the Property's cafeteria exclusive catering and vending rights to the Property, and Tenant shall not be permitted to utilize other providers of such services without Landlord's prior written consent; provided, however, Tenant shall have the right to install vending machines only for the sale of food, beverage, and candy in the Premises for use by Tenant's employees and guests.

**1.6 Conference and Training Rooms.** The first floor of the Building currently is configured with ancillary conference rooms and a multi-purpose room. Tenant may use the Ancillary Facilities as provided in this Section 1.6. The cost of operating, maintaining and repairing the Ancillary Facilities may be included as part of Operating Expenses.

1.6.1 Subject to scheduling availability, in accordance with Landlord's operating procedures, rules and regulations, and provided Tenant is not in default under this Lease, Tenant shall have the right to use the Ancillary Facilities at the rates established by Landlord from time to time for use of such Ancillary Facilities; provided, however, that Tenant shall pay all costs associated with services and amenities used in connection with the Ancillary Facilities, including, without limitation, audio-visual equipment and food services as may be requested by Tenant. The Ancillary Facilities will be provided for Tenant's use on an "as available" basis only in accordance with Landlord's sign-up and reservation procedures. Landlord's rates for the Ancillary Facilities shall be subject to increases reasonably determined by Landlord during the Lease Term, and Landlord may provide written notice of any such rate increases no less than thirty (30) days prior to imposing any rate increase (an "**Increase Notice**"); provided, however the rate increases would not apply to reservations existing as of the date of the Increase Notice and for a period not to exceed ninety (90) days thereafter. Tenant acknowledges that the Ancillary Facilities shall be available for use by other tenants and that Landlord may elect to discontinue providing the Ancillary Facilities at any time as provided in Section 1.6.2. Provided an Event of Default



has not occurred and Tenant is the entity named on page 1 of this Lease, during each of the first three (3) Lease Years of the Lease Term, Landlord shall credit Tenant an amount equal to Two Thousand Dollars (\$2,000.00) per Lease Year (the “**Conference Room Credit**”). The Conference Room Credit shall be applied by Landlord to offset any charges incurred by Tenant’s use of any conference rooms at the Building during such Lease Year up to a maximum amount equal to the Conference Room Credit. If Tenant does not offset the entire Conference Room Credit for any particular Lease Year, Tenant shall have no right to such remaining credit and the same shall expire at the end of the applicable Lease Year.

1.6.2 Notwithstanding any provision of this Lease to the contrary, Landlord reserves the right to discontinue providing the Ancillary Facilities if Landlord elects to convert all or any part of the Ancillary Facilities to space offered for lease to existing or future tenants, or if Landlord otherwise desires to recapture all or a portion of such space for other purposes. In such event, Landlord shall provide Tenant with at least thirty (30) days prior written notice of such election. Tenant’s right to use the Ancillary Facilities shall remain subject to the rights of Landlord specified in this Section 1.6.2.

## **ARTICLE 2: LEASE TERM**

2.1 **Initial Term.** The Initial Term of this Lease shall commence on the Lease Commencement Date, and shall terminate on the Lease Expiration Date unless this Lease is sooner terminated as hereinafter provided, or unless the Initial Term is extended as provided in Section 2.2. Possession of the Premises shall be deemed to have been tendered and accepted upon Tenant’s receipt of a possession notice from Landlord, provided physical possession of the Premises is tendered to Tenant. Notwithstanding the foregoing, if Tenant accepts physical possession of the Premises prior to receipt of such notice, the date Tenant accepts possession shall be deemed to be the possession date. If Tenant shall enter the Premises prior to the Lease Commencement Date for any reason including to commence operations in the Premises, then Tenant shall perform all duties and obligations imposed by this Lease, but excepting its obligation to pay Base Rent, the Tax Excess and the Expense Excess, all of which shall accrue from and after the Lease Commencement Date.

### **2.2 Renewal Options.**

2.2.1 **Grant of Option; Conditions.** Tenant shall have the right to extend the Term for two (2) successive additional periods of five (5) years each (the “**First Renewal Term**” and “**Second Renewal Term**,” respectively, and each a “**Renewal Term**”, as exercised by the “**First Renewal Option**” and the “**Second Renewal Option**”) each commencing on the day following the expiration of the then effective Term, and ending on the day preceding the fifth (5th) anniversary of the expiration of the then effective Term, if:

- (a) Landlord receives Notice of exercise (“**Renewal Notice**”) (i) with respect to the First Renewal Option or Second Renewal Option, not less than twelve (12) full calendar months and not more than fifteen (15) full calendar months prior to the expiration of the then current Lease Term;
- (b) An Event of Default has not occurred prior to the time that Tenant delivers its Renewal Notice or prior to the time Tenant delivers its Binding Notice (as defined below);
- (c) No more than twenty percent (20%) of the Premises is sublet at the time Tenant delivers its Renewal Notice or at the time Tenant delivers its Binding Notice;
- (d) This Lease has not been assigned prior to the date Tenant delivers its Renewal Notice or prior to the date Tenant delivers its Binding Notice other than to a Permitted Transferee (as defined in Section 14.8); and

(e) With respect to the Second Renewal Option only, Tenant has exercised the First Renewal Option.

### 2.2.2 Terms Applicable to Premises During the First Renewal Term and Second Renewal Term.

(a) The initial Base Rent rate per rentable square foot for the Premises during the First Renewal Term shall be an amount equal to ninety-five percent (95%) of the Prevailing Market (hereinafter defined) rate per rentable square foot for the Premises and the initial Base Rent rate per rentable square foot for the Premises during the Second Renewal Term shall be an amount equal to one hundred percent (100%) of the Prevailing Market rate per rentable square foot for the Premises. Base Rent during the First Renewal Term and the Second Renewal Term (as the case may be) shall increase, if at all, in accordance with the increases assumed in the determination of Prevailing Market rate, and shall be payable in monthly installments in accordance with the terms and conditions of Article 3 of this Lease.

(b) Tenant shall pay the Tax Excess and Expense Excess for the Premises during the First Renewal Term and the Second Renewal Term (as the case may be) in accordance with Article 4 of this Lease, and the manner and method in which Tenant reimburses Landlord the Tax Excess and Expense Excess and the Base Year, if any, applicable to such matter, shall be some of the factors considered in determining the Prevailing Market rate for the First Renewal Term and the Second Renewal Term (as the case may be).

### 2.2.3 Procedure for Determining Prevailing Market Rate for the First Renewal Term and the Second Renewal Term.

(a) Within fifteen (15) days after receipt of Tenant's Renewal Notice with respect to the First Renewal Term or the Second Renewal Term (as the case may be), Landlord shall advise Tenant of the applicable Base Rent rate for the Premises for the First Renewal Term or the Second Renewal Term (as the case may be). Within fifteen (15) days thereafter, Tenant shall either (i) give Landlord final binding written Notice ("**Binding Notice**") of Tenant's exercise of the First Renewal Option or the Second Renewal Option (as the case may be), or (ii) if Tenant disagrees with Landlord's determination of the Base Rent rate for the First Renewal Term or the Second Renewal Term (as the case may be), provide Landlord with written Notice that Tenant disputes Landlord's determination (the "**Dispute Notice**"). If Tenant fails to provide Landlord with either a Binding Notice or a Dispute Notice within such fifteen (15) day period, Tenant's First Renewal Option or Second Renewal Option (as the case may be) shall be null and void and of no further force and effect. If Tenant provides Landlord with a Binding Notice, Landlord and Tenant shall enter into the Renewal Amendment (as defined below) upon the terms and conditions set forth herein. If Tenant provides Landlord with a Dispute Notice, Landlord and Tenant shall work together in good faith for up to ten (10) business days after Landlord receives Tenant's Dispute Notice to attempt to agree upon the Prevailing Market rate for the Premises during the First Renewal Term or the Second Renewal Term (as the case may be). If Landlord and Tenant reach agreement within such ten (10) business day period, Tenant shall provide Landlord with a Binding Notice within such ten (10) business day period, and Landlord and Tenant shall enter into the Renewal Amendment in accordance with the terms and conditions hereof.

(b) If Landlord and Tenant fail to agree upon the Prevailing Market rate within such ten (10) business day period, Tenant, by written Notice to Landlord (the "**Arbitration Notice**") within five (5) business days after the expiration of such ten (10)

business day period, shall have the right to have the Prevailing Market rate determined in accordance with the following arbitration procedures. If Tenant fails to deliver the Arbitration Notice to Landlord within such five (5) business day period, Tenant's First Renewal Option or the Second Renewal Option (as the case may be) shall be null and void and of no further force and effect. If Tenant delivers an Arbitration Notice to Landlord, Tenant will be deemed to have delivered to Landlord a Binding Notice of Tenant's exercise of the First Renewal Option or the Second Renewal Option (as the case may be), and once the Prevailing Market rate is determined, Landlord and Tenant shall enter into the Renewal Amendment upon the terms and conditions set forth herein. If Tenant provides Landlord with an Arbitration Notice, then within ten (10) days thereafter, Landlord and Tenant shall each simultaneously submit to the other, in a sealed envelope, its good faith estimate of the Prevailing Market rate ("**Estimate**") for the applicable Renewal Term. If the higher Estimate is less than or equal to one hundred five percent (105%) of the lower Estimate, the Prevailing Market rate shall be the average of the two (2) Estimates. If the Prevailing Market rate is not resolved by the exchange of Estimates, Landlord and Tenant, within seven (7) days after the exchange of Estimates, shall each select an appraiser to determine which of the two (2) Estimates most closely reflects the Prevailing Market rate for the applicable Renewal Term. Each appraiser so selected shall be certified as an MAI appraiser or as an ASA appraiser and shall have had at least seven (7) years experience as a real estate appraiser working in the Northwest Suburban Chicago, Illinois area, with working knowledge of current rental rates and practices. For purposes of this Lease, an "**MAI**" appraiser means an individual who holds an MAI designation conferred by, and is an independent member of, the American Institute of Real Estate Appraisers (or its successor organization, or in the event there is no successor organization, the organization and designation most similar), and an "**ASA**" appraiser means an individual who holds the Senior Member designation conferred by, and is an independent member of, the American Society of Appraisers (or its successor organization, or in the event there is no successor organization, the organization and designation most similar). Upon selection, Landlord's and Tenant's appraisers shall work together in good faith to agree upon which of the two (2) Estimates most closely reflects the Prevailing Market rate for the Premises for the First Renewal Term or the Second Renewal Term (as the case may be). The Estimate chosen by such appraisers shall be binding on both Landlord and Tenant as the Prevailing Market rate for the Premises during the First Renewal Term or the Second Renewal Term (as the case may be). If either Landlord or Tenant fails to appoint an appraiser within the seven (7) day period referred to above, the appraiser appointed by the other party shall be the sole appraiser. If the two (2) appraisers cannot agree upon which of the two (2) Estimates most closely reflects the Prevailing Market rate within fifteen (15) days after their appointment, then, within ten (10) days after the expiration of such fifteen (15) day period, the two (2) appraisers shall select a third appraiser meeting the aforementioned criteria. Once the third appraiser has been selected, or as soon thereafter as practicable but in any case within fourteen (14) days of such selection, the third appraiser shall make his determination of which of the two (2) Estimates most closely reflects the Prevailing Market rate and such Estimate shall be binding on both Landlord and Tenant as the Prevailing Market rate for the Premises during the First Renewal Term or the Second Renewal Term (as the case may be). If the third appraiser believes that expert advice would materially assist him, he may retain one or more qualified persons, to provide such expert advice. The parties shall share equally in the costs of the third appraiser and of any experts retained by the third appraiser. Any fees of any appraiser, counsel or experts engaged directly by Landlord or Tenant, however, shall be borne by the party retaining such appraiser, counsel or expert. In the event the Prevailing Market rate has not been determined by the commencement date of the First Renewal Term or the Second Renewal Term (as the case may be), Tenant shall pay Base Rent upon the terms and conditions in effect for the Premises during the final month of the Initial Term, in the

case of the First Renewal Term, or during the final month of the First Renewal Term, in the case of the Second Renewal Term, until such time as the Prevailing Market rate has been determined for the First Renewal Term or the Second Renewal Term (as the case may be). Upon such determination, the Base Rent for the Premises shall be retroactively adjusted to the commencement of the First Renewal Term or the Second Renewal Term (as the case may be). If such adjustment results in an underpayment of Base Rent by Tenant, Tenant shall pay Landlord the amount of such underpayment within thirty (30) days after the determination thereof. If such adjustment results in an overpayment of Base Rent by Tenant, Landlord shall credit such overpayment against the next installment of Base Rent due under this Lease and, to the extent necessary, any subsequent installments until the entire amount of such overpayment has been credited against Base Rent.

2.2.4 **Renewal Amendment.** If Tenant is entitled to and properly exercises the First Renewal Option or the Second Renewal Option, as the case may be, Landlord shall prepare an amendment (the “**Renewal Amendment**”) to reflect the required changes in the Base Rent, Lease Term, Lease Expiration Date and other appropriate terms (if any) for the First Renewal Term or Second Renewal Term (as the case may be). The Renewal Amendment shall be sent to Tenant within ten (10) business days after receipt of the Binding Notice (or the determination of the Prevailing Market rate, if the parties arbitrate the determination of the Prevailing Market rate pursuant to Section 2.2.3). Tenant shall execute and return the Renewal Amendment to Landlord within fifteen (15) days of receipt, but upon final determination of the Prevailing Market rate applicable during the First Renewal Term or the Second Renewal Term, as the case may be, an otherwise valid exercise of the First Renewal Option or the Second Renewal Option shall be fully effective whether or not the Renewal Amendment is executed.

2.2.5 **Definition of Prevailing Market Rate.** For purposes of the First Renewal Option, “**Prevailing Market**” shall mean the arms length fair market annual rental rate per rentable square foot under new leases or renewal leases and amendments, whichever is appropriate, entered into on or about the date on which the Prevailing Market is being determined for space comparable to the Premises in the Building and other similar office buildings located in Northwest suburban Chicago, Illinois. The determination of Prevailing Market shall take into account any material economic differences between the terms of this Lease and any comparison lease or amendment, such as rent abatements, construction costs and other concessions and the manner, if any, in which the landlord under any such lease is reimbursed for operating expenses and taxes, including but not limited to any base year. The determination of Prevailing Market shall also take into consideration any reasonably anticipated changes in the Prevailing Market from the time such Prevailing Market is being determined and the time such Prevailing Market will become effective under this Lease.

### **ARTICLE 3: BASE RENT**

Commencing on the Lease Commencement Date, Tenant shall pay, without prior notice or demand, to Landlord at Landlord’s address set forth herein, or at such other place as Landlord may from time to time designate in writing, in currency of the United States of America, Base Rent and Additional Rent, without any setoff or deduction whatsoever. The Base Rent shall be paid in equal monthly installments as set forth in Section 4 of the Summary in advance on or before the first day of each and every calendar month during the Lease Term. The Base Rent for the first full month of the Lease Term shall be paid at the time of Tenant’s execution of this Lease. If the Lease Term commences on a day other than the first day of a calendar month or terminates on a day other than the last day of a calendar month, the monthly Base Rent and Tenant’s Share of any Operating Expenses or Tax Expenses for the month shall be prorated based on the number of days in such calendar month. All other payments or adjustments required to be made under the terms, covenants and conditions of this Lease that require proration on a time basis shall be prorated on the same basis. Tenant shall pay and be liable for all rental, sales and use taxes, if any, imposed upon or measured by rent under applicable Law. If no specific time period is given for payment of any item of Rent, such item of Rent shall be due and payable by Tenant within thirty (30) days after demand by Landlord.

Landlord shall have the right to apply payments received from Tenant pursuant to this Lease, regardless of Tenant's designation of such payments, to satisfy any obligations of Tenant hereunder, in such order and amounts as Landlord, in its sole discretion, may elect.

The subsequent acceptance of Rent hereunder by Landlord shall not be deemed to be a waiver of any preceding breach by Tenant of any term, covenant or condition of this Lease. Acceptance of a lesser amount than shall be due from Tenant to Landlord shall be considered a payment on account, and shall not be deemed a waiver of Landlord's right to receive the full amount due, nor shall any endorsement or statement on any check or payment or any letter accompanying such check or payment be deemed an accord and satisfaction, and Landlord may accept such check or payment without prejudice to any other rights or remedies which Landlord may have against Tenant. No receipt of monies by Landlord from Tenant after the termination of this Lease shall in any way alter the length of the Lease Term or of Tenant's right of possession hereunder, or after the giving of any notice shall reinstate, continue or extend the Lease Term or affect any notice given Tenant prior to the receipt of such monies, it being agreed that after the service of notice or the commencement of a suit, or after final judgment for possession of the Premises, Landlord may receive and collect any Rent due, and the payment of said Rent shall not waive or affect said notice, suit or judgment.

#### **ARTICLE 4: ADDITIONAL RENT**

4.1 **Additional Rent.** In addition to paying the Base Rent specified in Article 3 of this Lease, commencing on the first day of the thirteenth (13th) full calendar month after the Commencement Date, Tenant shall pay, in accordance with Section 4.5 below, Tenant's Share of (a) the Expense Excess (as defined in Section 4.5), and (b) the Tax Excess (as defined in Section 4.5). Operating Expenses and Taxes for the Base Year shall be appropriately prorated in order to determine Tenant's Share of the Expense Excess and Tenant's Share of the Tax Excess for any partial Expense Year. In no event shall the existence of or any decrease in Operating Expenses or Tax Expenses for any Expense Year below Operating Expenses for the Base Year or Tax Expenses for the Base Year, as the case may be, entitle Tenant to any decrease in Base Rent or any credit against sums due under this Lease. If Operating Expenses and/or Tax Expenses in any Expense Year decrease below the amount of Operating Expenses and/or Tax Expenses for the Base Year, Tenant's Share of the Expense Excess and/or Tax Excess, as the case may be, for that Expense Year shall be Zero Dollars (\$0.00). Notwithstanding anything in this Lease to the contrary, any Additional Rent payable by Tenant to Landlord other than Tenant's Share of (a) the Expense Excess (as defined in Section 4.5), and (b) the Tax Excess (as defined in Section 4.5) shall commence as of the Commencement Date.

4.2 **Operating Expenses.** "Operating Expenses" shall mean, all expenses, costs and amounts of every kind and nature incurred during any Expense Year because of or in connection with the ownership, management, maintenance, repair, replacement or operation of the Building and the Property. Without limiting the generality of the foregoing, Operating Expenses shall specifically include any and all of the following: (a) the cost of supplying utilities, operating, repairing, maintaining, and renovating the utility, telephone, and all other systems and equipment and components thereof of the Building, and the cost of maintenance and service contracts in connection therewith and payments under any equipment rental agreements, unless the purchase of such equipment would constitute a capital expenditure under generally accepted accounting principles ("GAAP"); (b) commercially reasonable premiums and deductibles paid by Landlord for insurance, including workers compensation, fire and extended coverage, earthquake, general liability, rental loss, elevator, boiler and other insurance customarily carried from time to time by owners of Comparable Buildings; (c) the cost of landscaping the Property or any portion thereof; (d) costs incurred in connection with the parking areas servicing the Property, except for the replacement of parking areas; (e) management fees, which shall not exceed three percent (3%) of gross revenues, the cost of equipping and maintaining a management office, accounting and bookkeeping

services, legal fees not attributable to leasing or collection activity, and other administrative costs; (f) wages, salaries, social security and employment taxes, medical and other types of insurance, uniforms, training and other compensation and benefits, including taxes levied thereon, of all persons engaged in the operation, maintenance, repair, replacement or management of the Property, except for executive officers of the Landlord or Landlord's managing agent that are senior to the individual Building manager; (g) the cost of services, including amounts paid to service providers and the rental and purchase costs of parts, supplies, tools and equipment; (h) the cost of capital improvements (as distinguished from replacement parts or components installed in the ordinary course of business, which shall be included in Operating Expenses) made to the Property which are: (1) performed primarily to reduce Operating Expense costs or otherwise improve the operating efficiency of the Property; or (2) required to comply with any Laws; or (3) for the protection of the health and safety of the occupants of the Property; provided, however, that the cost of any such capital improvement shall be amortized with interest at the rate per annum equal to three (3) percentage points above the average annual Prime Rate over the useful life of the capital improvement as reasonably determined by Landlord; (i) costs, fees, charges or assessments imposed by, or resulting from any mandate imposed on Landlord by, any federal, state or local government for fire and police protection, trash removal, community services, or other services which are not duplicative of "Tax Expenses" as that term is defined in Section 4.3 below; and (j) the Property's share of expenses and costs under any reciprocal easement agreement, common areas agreement or similar agreement as to the Property. Landlord, by itself or through an affiliate, shall have the right to directly perform or provide any services under this Lease (including management services), provided that the cost of any such services shall not exceed the cost that would have been incurred had Landlord entered into an arms-length contract for such services with an unaffiliated entity of comparable skill and experience.

Notwithstanding anything in this Section 4.2 to the contrary, for purposes of this Lease, Operating Expenses shall not, however, include the following: (a) costs in connection with leasing space in the Building, including advertising, promotional, and marketing expenses, brokerage commissions, attorneys' fees, lease concessions and construction allowances; (b) any fines, penalties or costs resulting from the Landlord's breach of this Lease; (c) interest, principal, points and fees on financing, debts or amortization on any current Mortgage or future Mortgage encumbering the Building or the Property; (d) the costs of any capital improvements except as set forth above; (e) expenses to the extent Landlord is reimbursed by a third party (excluding Operating Expense reimbursements by tenants), including without limitation replacement of any items covered by warranties, guarantees or service contracts; (f) cost of any item or service provided directly to a tenant for its exclusive benefit which is not available to Tenant or is available to Tenant only for an additional direct charge (in addition to Tenant's payment of Tenant's Share of Operating Expenses); (g) expenses for the defense of Landlord's title to the Property; (h) rental on ground leases or other underlying leases affecting the Property; (i) costs associated with maintaining Landlord's existence as a corporation or other legal entity including general partnership overhead not related to the management of the Building; (j) the cost of supplying a particular utility service to individual tenant spaces if Tenant is billed directly (other than through paying a share of Operating Expenses) for the cost of such utility service supplied to the Premises; (k) costs of painting or decorating (other than the Common Areas), the costs of alterations to the Premises or the premises of other tenants of the Building; (l) expenses, including rent, associated with maintaining a leasing or marketing office; (m) the costs of correcting latent defects and defects in the original construction of the Building; (n) costs for sculptures, paintings and other objects of art for the Building; (o) expenses in connection with repairs or other work occasioned by the exercise of the right of eminent domain to the extent Landlord receives an award therefor; (p) any compensation paid to clerks, attendants or other persons in commercial concessions operated by Landlord; (q) contributions to operating expense reserves; (r) bad debt loss or rent loss or reserves for bad debt loss or rent loss (provided, however, that the foregoing shall not prevent Landlord from including in Landlord's Operating Expenses the cost of rent loss insurance); (s) depreciation of the Building and (t) any items paid by Tenant under Section 4.6 of this Lease.

**4.3 Tax Expenses.** “Tax Expenses” shall mean all federal, state, county, or local governmental or municipal taxes, fees, charges or other impositions of every kind and nature, whether general, special, ordinary or extraordinary, levied, assessed or imposed against the Building and/or Property (including, without limitation, real estate taxes, general and special assessments (including, without limitation, assessments for special improvement districts and building improvements districts or any tax on the development of real estate or the construction or improvement of buildings or premises thereunder), transit taxes, leasehold taxes or taxes based upon the receipt of rent or the functional equivalent of same), including gross receipts, service tax, value added tax or sales taxes applicable to the receipt of rent or services provided herein, and unless required to be paid by Tenant, taxes and assessments levied in substitution or supplementation in whole or in part of any such taxes and assessments and the Property’s share of any real estate taxes and assessments under any reciprocal easement agreement, common area agreement or similar agreement as to the Property, personal property taxes imposed upon the fixtures, machinery, equipment, apparatus, systems and equipment, appurtenances, furniture and other personal property used in connection with the Building and/or Property, or any portion thereof), which shall be paid or accrued by Landlord in connection with the ownership, leasing and operation of the Property, or any portion thereof; any tax on the rent, right to rent or other income from the Property, or any portion thereof, or as against the business of leasing the Property, or any portion thereof; any assessment, tax, fee, levy, or charge allocable to or measured by the area of the Premises or the Rent payable hereunder, including, without limitation, any business or gross income tax or excise tax with respect to the receipt of such rent, or upon or with respect to the possession, leasing, operating, management, maintenance, alteration, repair, use or occupancy by Tenant of the Premises, or any portion thereof; any assessment, tax, fee, levy or charge, upon this transaction; the amount of any payments or other consideration (in cash or otherwise) that Landlord is required to make to any taxing authority in connection with any tax abatement agreements benefiting the Property; and any reasonable costs and expenses (including, without limitation, reasonable consultants’ and attorneys’ fees) incurred in connection with seeking to protest, reduce or minimize Tax Expenses (including costs incurred by Landlord for compliance, review and appeal of tax liabilities), regardless of whether any reduction or minimization is obtained.

Notwithstanding anything to the contrary contained in this Section 4.3, there shall be excluded from Tax Expenses (a) all excess profits taxes, gross receipts taxes, franchise taxes, gift taxes, capital stock taxes, inheritance and succession taxes, transfer taxes, estate taxes and federal and state income taxes, both personal and corporate in nature, (b) any items included as Operating Expenses, and (c) any items paid by Tenant under Section 4.6 of this Lease.

If an assessment is payable in installments, Tax Expenses for the year shall include the amount of the installment and any interest due and payable during that year. For all other real estate taxes, Tax Expenses for that year shall, at Landlord’s election, include either the amount accrued, assessed or otherwise imposed for the year or the amount due and payable for that year, provided that Landlord’s election shall be applied consistently throughout the Term.

**4.4 Allocation of Expenses.** Operating Expenses and Tax Expenses shall be determined for the Property as a whole, and Tenant shall be responsible for paying Tenant’s Share of the Expense Excess and Tenant’s Share of the Tax Excess. If Landlord incurs Operating Expenses or Tax Expenses for the Building or Property, together with one or more other buildings or properties whether pursuant to a reciprocal easement agreement, common area agreement or otherwise, the shared Operating Expenses or Tax Expenses shall be allocated between the Building or Property and the other buildings or properties in accordance with the applicable agreement and otherwise in an equitable manner as reasonably determined by Landlord. If the Building is not at least ninety-five percent (95%) occupied during any calendar year or if Landlord is not supplying services to at least ninety-five percent (95%) of the total Rentable Square Feet of the Building at any time during a calendar year, Operating Expenses that vary with occupancy shall, at Landlord’s option, be determined as if the Building had been ninety-five percent (95%) occupied and Landlord had been supplying services to ninety-five percent (95%) of the Rentable Square Feet of the Building during that calendar year. If Tenant pays for its Share of Operating Expenses based on increases over a Base Year and Operating Expenses for a calendar year are determined as provided in the prior sentence, Operating Expenses for the Base Year shall also be determined as if the

Building had been ninety-five percent (95%) occupied and Landlord had been supplying services toninety-five percent (95%) of the Rentable Square Feet of the Building. The extrapolation of Operating Expenses under this Section shall be performed by appropriately adjusting only the cost of those components of Operating Expenses that are impacted by changes in the occupancy of the Building. In addition to the foregoing, if an expense is incurred or a service is provided that applies to or benefits only to the portion of the Building where the Premises is located, Landlord, at its option, in its sole discretion, may create a separate Operating Expense pool with respect to the Operating Expenses resulting therefrom and Tenant's Share shall be equitably increased for purposes only of the payment of any such Operating Expenses based on the total Rentable Square Footage of the premises of the tenants benefitting from such Operating Expenses.

**4.5 Calculation and Payment of Additional Rent.** With respect to Operating Expenses, if Operating Expenses for an Expense Year exceed the Operating Expenses applicable to the Base Year, then Tenant shall pay to Landlord, in the manner set forth in Section 4.5.1 below, and as Additional Rent, an amount equal to Tenant's Share of the excess (the "**Expense Excess**"). With respect to Tax Expenses, if Tax Expenses for an Expense Year exceed the amount of Tax Expenses applicable to the Base Year, then Tenant shall pay to Landlord, in the manner set forth in Section 4.5.1 below, and as Additional Rent, an amount equal to Tenant's Share of the excess (the "**Tax Excess**"). Notwithstanding anything to the contrary contained herein, Tenant's Share of the Expense Excess excluding all costs associated with insurance, security, snow removal and utilities attributable or applicable to the Property [collectively, the "**Uncapped Costs**") for calendar year 2014 shall be capped at an amount equal to one hundred five percent (105%) of Tenant's Share of the Expense Excess (excluding the Uncapped Costs) payable for calendar year 2013 (annualized, if Tenant's Share of the Expense Excess is not payable pursuant to this Lease for any portion of calendar year 2013) (such amount shall constitute the "Cap Amount" for calendar year 2014). For each calendar year or partial calendar thereafter, Tenant's Share of the Expense Excess (excluding the Uncapped Costs) shall be capped at an amount equal to one hundred five percent (105%) of the Cap Amount for the immediately preceding calendar year (which shall constitute the "Cap Amount" for such calendar year). Tenant shall pay the actual amount of Tenant's Share of the Expense Excess, to the extent the same are attributable to the Uncapped Costs, throughout the Lease Term and said Uncapped Costs shall not be subject to the cap described in this grammatical paragraph. For purposes of this Section 4.5, in the event any tenant of the Property does not make any contributions specifically apportioned between Uncapped Costs and the balance of Landlord's Operating Expenses but only contributes generally to Landlord's Operating Expenses, then such tenant shall be deemed to contribute to Uncapped Costs in an amount determined by Landlord in its reasonable business judgment, and the balance of such tenant's contribution to Landlord's Operating Expenses shall be deemed to be a contribution towards the capped portion of Landlord's Operating Expenses.

**4.5.1 Statement of Estimated Expenses.** Landlord shall provide Tenant with a good faith estimate of the Expense Excess and of the Tax Excess for each Expense Year during the Lease Term. On or before the first day of each month, Tenant shall pay to Landlord a monthly installment equal to one-twelfth (1/12<sup>th</sup>) of Tenant's Share of Landlord's estimate of the Expense Excess and one-twelfth (1/12<sup>th</sup>) of Tenant's Share of Landlord's estimate of the Tax Excess. If Landlord determines that its good faith estimate of the Expense Excess or of the Tax Excess was incorrect by a material amount, Landlord may provide Tenant with a revised estimate, but not more than two (2) times in any calendar year. After its receipt of the revised estimate, Tenant's monthly payments shall be based upon the revised estimate. If Landlord does not provide Tenant with an estimate of the Expense Excess or of the Tax Excess by January 1 of an Expense Year, Tenant shall continue to pay monthly installments based on the previous year's estimate(s) until Landlord provides Tenant with the new estimate. Upon delivery of the new estimate, an adjustment shall be made for any month for which Tenant paid monthly installments based on the previous year's estimate(s). Tenant shall pay Landlord the amount of any underpayment within thirty (30) days after receipt of the new estimate. Any overpayment shall be refunded to Tenant within thirty (30) days or credited against the next due future installment(s) of Additional Rent.



**4.5.2 Statement of Actual Expenses and Payment by Tenant.** As soon as is practical following the end of each applicable Expense Year (but in no event later than one hundred eighty [180] days after the end of each applicable Expense Year), Landlord will deliver to Tenant a statement (the "**Statement**"), which shall state the actual Operating Expenses and Tax Expenses incurred or accrued for such preceding Expense Year, and which shall indicate the amount of the Expense Excess, if any, and the Tax Excess, if any. If the estimated Expense Excess and/or estimated Tax Excess for the prior Expense Year is more than the actual Expense Excess and/or actual Tax Excess, as the case may be, for the prior Expense Year, Landlord shall apply any resulting overpayment by Tenant against Additional Rent due or next becoming due, provided if the Lease Term expires before the determination of the overpayment, Landlord shall refund any overpayment to Tenant after first deducting the amount of any Rent due. If the estimated Expense Excess and/or estimated Tax Excess for the prior Expense Year is less than the actual Expense Excess and/or actual Tax Excess, as the case may be, for such prior Expense Year, Tenant shall pay Landlord, within thirty (30) days after its receipt of the Statement, any resulting underpayment for the prior Expense Year. Landlord's failure to timely furnish the Statement for any Expense Year shall not prevent Landlord from enforcing its rights to collect Tenant's Share of the Tax Excess and Tenant's Share of the Expense Excess under this Article 4. Even though the Lease Term has terminated and Tenant has vacated the Premises, when the final determination is made of Tenant's Share of the Expense Excess and Tenant's Share of the Tax Excess for the Expense Year in which this Lease terminates, if Tenant has underpaid Tenant's Share of the Expense Excess and/or the Tenant's Share of the Tax Excess, Tenant shall pay such amount to Landlord within fifteen (15) days after Tenant's receipt of such final determination. Notwithstanding anything to the contrary contained herein, Tenant shall not be required to pay (a) Tenant's Share of the Expense Excess if Landlord fails to furnish Tenant the Statement within two (2) years after the date any such Expense was incurred or (b) Tenant's Share of the Tax Excess if Landlord fails to furnish Tenant the Statement within two (2) years after Landlord receives the tax bill for such Tax Expense.

**4.5.3 Determination of Base Year for Taxes and Expenses.** Notwithstanding anything to the contrary contained herein, (a) if Landlord's Operating Expenses for calendar year 2012 are less than Landlord's Operating Expenses for calendar year 2011, then for purposes of determining the Expense Excess, the Base Year Operating Expenses shall be deemed to mean the average Operating Expenses for calendar years 2011 and 2012 and (b) if Taxes for the calendar year 2012 are less than \$4.00 per square foot, then for purposes of determining the Tax Excess, the Base Year Taxes shall mean \$4.00 per square foot.

**4.6 Taxes and Other Charges for Which Tenant is Directly Responsible.** Tenant shall be liable for and shall pay before delinquency taxes or other impositions levied or assessed against Tenant's Property and other personal property of any sublessee, assignee or invitee located in or about the Premises, Tenant's interest in this Lease, the Alterations, Tenant's right to occupy the Premises, and Tenant's investment or business operation in the Premises whether levied or assessed against Landlord or Tenant. If any taxing authority requires any such taxes or other impositions for which Tenant is responsible (other than the Taxes included in the calculation of the Tax Expenses) be paid by Tenant but collected by Landlord for and on behalf of such taxing authority, or if any such taxes or other impositions are levied or assessed against Landlord or Landlord's property or if the assessed value of Landlord's property is increased by the inclusion therein of a value placed on Tenant's Property and/or Alterations, then Tenant shall pay to Landlord as Additional Rent the taxes or other impositions so levied or assessed against Landlord or the proportion of such taxes or impositions resulting from such increase in the assessment, as the case may be, within ten (10) days after Landlord's written notice of the same.

**4.7 Landlord's Books and Records.** Tenant may, within forty-five (45) days after receiving Landlord's Statement of Operating Expenses, give Landlord written notice ("**Review Notice**") that Tenant intends to review Landlord's records of the Operating Expenses for that Expense Year. Within a reasonable time after receipt of the Review Notice, Landlord shall make all pertinent records available for inspection that are reasonably necessary for Tenant to conduct its review. If any records are maintained at a location other than the office of the Building, Tenant may either inspect the records at such other

location or pay for the reasonable cost of copying and shipping the records. If Tenant retains an agent to review Landlord's records, the agent must be with a licensed CPA firm, who shall not be retained or compensated on a contingency basis, be affiliated with or be a competitor of Landlord, or have at anytime been an employee or, or an independent contractor for Landlord. Unless it is determined that Operating Expenses for that Expense Year are less than reported by more than five percent (5%), in which case Landlord shall be responsible for all costs, expenses and fees incurred for the audit, Tenant shall be solely responsible for all costs, expenses and fees incurred for the audit. Within thirty (30) days after the records are made available to Tenant, Tenant shall have the right to give Landlord written notice (an "**Objection Notice**") stating in reasonable detail any objection to Landlord's Statement of Operating Expenses for that Expense Year. If Tenant fails to give Landlord an Objection Notice within the thirty (30) day period or fails to provide Landlord with a Review Notice within the thirty (30) day period described above, Tenant shall be deemed to have approved Landlord's Statement of Operating Expenses and shall be barred from raising any claims regarding the Operating Expenses for that Expense Year. If Tenant provides Landlord with a timely Objection Notice, Landlord and Tenant shall work together in good faith to resolve any issues raised in Tenant's Objection Notice. If Landlord and Tenant determine that Operating Expenses for the Expense Year are less than reported, Landlord shall provide Tenant with a credit against the next installment of Rent in the amount of the overpayment by Tenant. Likewise, if Landlord and Tenant determine that Operating Expenses for the Expense Year are greater than reported, Tenant shall pay Landlord the amount of any underpayment within thirty (30) days. The records obtained by Tenant and the results of such review shall be confidential. In no event shall Tenant be permitted to examine Landlord's records or to dispute any Statement of Operating Expenses unless Tenant has paid and continues to pay all Rent when due, or if an Event of Default exists. Subject to Tenant's right to review as provided in this Section 4.7, Landlord's Statement of Operating Expenses and Landlord's books and records evidencing Operating Expenses shall be conclusive absent manifest error. Upon the written request of Tenant, Landlord shall furnish a copy of the most recent tax bill for the Property.

**4.8 Tenant's Electricity Cost.** Electricity used by Tenant in the Premises shall be paid by Tenant either (a) by a separate charge payable by Tenant to Landlord ("**Tenant's Electricity Cost**") within thirty (30) days after billing by Landlord as Additional Rent (which charge may be based on Landlord's good faith estimate of its costs for such electricity or may be Tenant's pro rata share of the cost of electricity calculated on the basis of the square footage of the tenant space using such service or on the basis of the square footage of the tenant space using the particular electric meter serving the Premises) or (b) by separate charge billed by the applicable utility company and payable directly by Tenant. If electricity to the Premises is not separately or sub-metered, Landlord shall install meters approved by the applicable utility company at the Premises to account for Tenant's use of electricity in the Premises (including, without limitation, electricity consumed in operating supplemental power back-up or heating, ventilation, and air-conditioning units or systems) at Tenant's sole cost and expense. Electrical service to the Premises may be furnished by one or more companies providing electrical generation, transmission and distribution services, and the cost of electricity may consist of several different components or separate charges for such services, such as generation, distribution and stranded cost charges. Landlord shall have the exclusive right to select any company providing electrical service to the Premises, to aggregate the electrical service for the Property and Premises with other buildings, to purchase electricity through a broker and/or buyers group and to change the providers and manner of purchasing electricity. Landlord shall be entitled to receive a reasonable fee (if permitted by applicable Law) for the selection of utility companies and the negotiation and administration of contracts for electricity, provided that the amount of such fee shall not exceed fifty percent (50%) of any savings obtained by Landlord. Tenant's use of electrical service shall not exceed, either in voltage, rated capacity, use beyond Building Hours or overall load, that which Landlord reasonably deems to be standard for the Building. If Tenant requests permission to consume excess electrical service, Landlord may refuse to consent or may condition consent upon conditions that Landlord reasonably elects (including, without limitation, the installation of utility service upgrades, meters, submeters, air handlers or cooling units), and the additional usage (to the extent permitted by Law), installation and maintenance costs shall be paid by Tenant. Notwithstanding anything to the contrary contained herein, Landlord will provide Tenant a maximum of 5 watts of receptacle power per foot of the Premises and 1 watt of lighting power per foot of the Premises through

3N-TMC-1 for the Premises located on the 3rd floor and through 1 N-HDP – 3 for the Premises located on the 1st floor. Landlord will permit Tenant, at Tenant's sole cost and expense, to add additional power which cannot exceed the preliminary engineered loads calculated by Tenant's engineering firm equal to 240 amps at 480 volts of power from 1N-HDP-3 for the 3rd floor and 70 amps at 480 volts of power from 1N-HDP-1 for the 1st floor and the same shall not be deemed to exceed the overall load deemed standard for the Building. The exercise of Landlord's rights under this Section 4.8 to change the utility provider or manner of purchasing electricity shall not have a material and adverse affect on Tenant's ability to operate in the Premises.

#### **ARTICLE 5: USE OF PREMISES**

5.1 **Permitted Use.** Tenant shall use the Premises solely for the Permitted Use set forth in Section 7 of the Summary and Tenant shall not use or permit the Premises or the Property to be used for any other purpose or purposes whatsoever without the prior written consent of Landlord, which may be withheld in Landlord's sole discretion.

5.2 **Prohibited Uses.** The uses prohibited under this Lease shall include, without limitation, use of the Premises or a portion thereof for (a) offices of any agency or bureau of the United States or any state or political subdivision thereof; (b) offices or agencies of any foreign governmental or political subdivision thereof; (c) offices of any health care professionals or service organization; (d) schools or other training facilities which are not ancillary to corporate, executive or professional office use; (e) retail or restaurant uses; or (f) commercial broadcast radio or television stations. Tenant shall not allow occupancy density of use of the Premises which is greater than the density permitted under applicable Laws. Tenant shall not use or permit the use of the Premises for any purpose which disturbs other tenants or occupants of the Building or interferes with the operation of the Building, or use or allow the Premises to be used for any unlawful or dangerous purpose, nor shall Tenant cause, maintain or permit any nuisance in, on or about the Premises. This Lease and Tenant's rights hereunder are subject and subordinate in all respects to the Superior Agreements now or hereafter affecting the Property and Tenant shall comply and shall also cause its agents, contractors, subcontractors, employees, invitees and subtenants to comply with the Superior Agreements now or hereafter affecting the Property.

5.3 **Rules and Regulations.** Tenant shall comply and shall also cause its agents, contractors, subcontractors, employees, invitees, and subtenants to comply with the rules and regulations set forth in Exhibit B, and such other reasonable rules and regulations adopted by Landlord from time to time. Landlord shall not knowingly discriminate against Tenant in Landlord's enforcement of the rules and regulations.

#### 5.4 **Exclusive.**

5.4.1 To the extent Landlord is not prohibited by any existing or future Law, and provided (a) an Event of Default has not occurred and (b) Tenant is the entity named on page 1 of this Lease or a Permitted Transferee (as defined in Section 14.8), provided such Transferee operates the same business in the Premises that Tenant was operating, and (c) Tenant has not sublet more than 20% of the Premises, then, as of the date hereof, Landlord covenants not to enter into a lease or other agreement granting possession of space at the Building (collectively, an "**Occupancy Agreement**") with a Competitor (as hereinafter defined) for a term scheduled to commence during the Initial Term. For purposes of this Section 5.4, a "**Competitor**" shall mean any of the following three (3) entities: (1) Ubiquiti, (2) MikroTik and (3) with respect to a lease for 50,000 square feet of space or less only, Northrop Grumman, but only if Northrop Grumman is operating for the same business that Tenant is then operating for at the Premises, provided that any such entity is not a Pre-Existing Tenant (as hereinafter defined). For purposes of this Section 5.4, a "**Pre-Existing Tenant**" shall mean any tenant in the Building (whether such tenant occupies its original premises or relocated and/or expanded its premises) (a) who is operating for business on or prior to the date hereof, or (b) whose Occupancy Agreement is dated on or prior to the date hereof, or (c) who is in possession of its space pursuant to a renewal or extension of the

Occupancy Agreement of a tenant described in either of the immediately preceding clauses (a) and (b) (whether or not such renewal or extension is pursuant to an express right to renew or extend contained in the Occupancy Agreement and whether or not such renewal or extension is pursuant to an amendment to the existing Occupancy Agreement or a new lease), or (d) who is an assignee or sublessee of a tenant described in any of the immediately preceding clauses (a), (b) and/or (c).

5.4.2 Notwithstanding anything to the contrary contained herein, the provisions of this Section 5.4 shall be inapplicable to (a) any tenant who has been permitted to assume an Occupancy Agreement or otherwise operate its business in the Building, based upon or as a result of a bankruptcy, insolvency or similar action, or (b) any tenant who has been permitted to operate as a result of an action or order by a court of competent jurisdiction.

5.4.3 Tenant shall indemnify, defend and hold Landlord harmless against and from all liabilities, obligations, damages, penalties, claims, costs, charges and expenses, including without limitation, reasonable attorney's fees, which may be imposed upon, incurred by, or asserted against Landlord arising, directly or indirectly, out of or in connection with the terms of this Section 5.4. In case any action or proceeding is brought against Landlord by reason of the foregoing, Tenant shall, at Tenant's sole cost and expense, resist or defend such action or proceeding with counsel approved by Landlord

## 5.5 Satellite/Antenna Equipment.

### 5.5.1 **Roof Equipment.**

(a) Provided an Event of Default has not occurred and further provided that Landlord's structural engineer has reviewed and approved the installation of the Roof Equipment, at Tenant's sole cost and expense, Tenant shall have the right, at any time during the Lease Term, to install, construct, operate, and maintain not more than one (1) 4' in diameter satellite dish together with any reasonable equipment, cabling and wiring necessary to operate the dish or antenna (collectively, the "**Roof Equipment**") on the roof of the Building free of charge during the Term and any subsequent Renewal Terms and in accordance with the terms and conditions set forth in this Section 5.5.1. The Roof Equipment shall be (a) for Tenant's use only for data and telecommunications support in the Premises, (b) not be used by any other party, (c) installed, operated and maintained in accordance with all applicable Laws and Tenant shall not charge or receive any fees or other consideration in connection with its use. If Tenant desires to install the Roof Equipment on the roof of the Building, Tenant shall give Landlord written notice thereof (the "**Roof Equipment Request**") and shall provide Landlord such information including without limitation the method of installation of, desired location of, and plans and specifications for, the Roof Equipment as Landlord shall reasonably require to approve or disapprove the Roof Equipment Request (the "**Roof Equipment Plans**"). Tenant shall obtain the written approval of Landlord of the Roof Equipment Plans prior to the installation of same on the roof of the Building, which approval shall be in Landlord's sole and absolute discretion. Any changes to the Roof Equipment Plans required by Landlord shall be promptly made by Tenant and resubmitted to Landlord for approval. Tenant may only install the Roof Equipment which is reflected in the Roof Equipment Plans approved by Landlord in writing and in the manner set forth in the Roof Equipment Plans.

(b) If Tenant receives all of the required Landlord approvals for the installation of the Roof Equipment, such installation shall be performed by a contractor and roofing crew approved by Landlord, in its sole discretion, and such installation shall in no event void or diminish in any respect Landlord's warranty on the roof of the Building. Tenant shall pay all costs related to the installation, operation, and maintenance of such Roof Equipment. Neither Tenant nor any of the Tenant Related Parties shall go on the roof of the Building without the express, written consent of Landlord in each instance,

which consent shall not be unreasonably withheld or delayed. The location, installation, use, and maintenance of such Roof Equipment shall at all times conform to all applicable zoning and other applicable Laws in effect from time to time as well as all architectural standards established by Landlord from time to time for the Building. Prior to the installation of the Roof Equipment, Tenant shall obtain all necessary permits and licenses from the City of Rolling Meadows, Illinois and any other governmental agency having jurisdiction over the Building, the Property, or over the Roof Equipment and its use. Landlord shall use reasonable efforts to support Tenant in securing any required municipal approvals provided that “reasonable efforts” of Landlord shall not include payment of money or incurring any liability. The Roof Equipment shall be located on that certain portion of the roof of the Building identified on **Exhibit A-1** attached hereto and incorporated herein by this reference (the “**Roof Equipment Area**”) or as Landlord may otherwise from time to time designate in writing in its sole discretion, and the Roof Equipment shall be located as far away from the perimeter of the roof so as not to be visible from street level and Tenant shall screen the Roof Equipment if required to do so by Landlord, in its sole discretion. Landlord shall approve or disapprove such location and screening at the time Landlord approves the Roof Equipment Plans. After the initial installation of the Roof Equipment, from time to time Landlord may in its reasonable judgment, cause Tenant to relocate the Roof Equipment, at Landlord’s sole cost and expense, to another portion of the roof of the Building.

#### 5.5.2 The Exterior Equipment.

(a) Provided an Event of Default has not occurred and Tenant is the entity named on page 1 of this Lease or a Permitted Transferee, Tenant shall have the right, at any time during the Lease Term, to install, construct, operate, and maintain either (i) one trailer hitched collapsible antenna (the “**Truck Antenna**”) or (ii) a stationary, fixed antenna on the ground (the “**Ground Antenna**”) (collectively, the “**Exterior Equipment**”) in the area shown on **Exhibit A-1** (the “**Exterior Equipment Area**”). The Exterior Equipment shall be (a) for Tenant’s use only for data and telecommunications support in the Premises, (b) not be used by any other party, (c) installed, operated and maintained in accordance with all applicable Laws and Tenant shall not charge or receive any fees or other consideration in connection with its use. If Tenant desires to install the Exterior Equipment in the Exterior Equipment Area, Tenant shall give Landlord written notice thereof (the “**Exterior Equipment Request**”) and if Tenant intends to install a Ground Antenna, Tenant shall provide Landlord such information including without limitation, the method of installation of, and plans and specifications for, the Ground Antenna as Landlord shall require to approve or disapprove the Exterior Equipment Request (the “**Ground Antenna Plans**”). If Tenant installs either the Truck Antenna or the Ground Antenna and such antenna will need to be connected to the Building for electricity, then Tenant shall submit detailed plans regarding the power needs and method of connection to the Building (the “**Electrical Plans**”) together with Tenant’s Exterior Equipment Request. If Tenant desires to connect to the Buildings power, Landlord may elect to require Tenant to install a sub-meter so that Landlord can bill Tenant directly for the electricity serving Tenant’s Exterior Equipment. Tenant shall obtain the written approval of Landlord of the Ground Antenna Plans and/or the Electrical Plans prior to the installation of the Exterior Equipment Area, which approval shall be in Landlord’s sole and absolute discretion. Any changes to the Ground Antenna Plans or Electrical Plans required by Landlord shall be promptly made by Tenant and resubmitted to Landlord for approval. Tenant may only install the Ground Antenna which is reflected in the Ground Antenna Plans approved by Landlord in writing and in the manner set forth in the Ground Antenna Plans. Tenant may only connect to the Building electricity in the manner shows on the Electrical Plans approved by Landlord. If Tenant elects to initially install the Truck Antenna and wants to later install the Ground Antenna, Tenant shall notify Landlord of

such request and comply with the provisions of this Section 5.5.2. If Tenant installs the Truck Antenna in the Exterior Equipment Area, or if the Ground Antenna is installed in the Exterior Equipment Area and is collapsible, then at least one (1) business day prior to raising either such antenna, Tenant shall notify Landlord that Tenant is raising such antenna and such notice shall include the duration for which such antenna will be raised. In addition, in connection with Landlord's leasing efforts at the Building, Tenant will lower the antenna upon request by Landlord, with reasonable notice, if Landlord reasonably determines that the same is necessary during a tour or other showing of the Building or Property.

(b) If Tenant receives all required Landlord approvals for the installation of the Exterior Equipment, such installation shall be performed by a contractor approved by Landlord, in its reasonable discretion. Tenant shall pay all costs related to the installation, operation, and maintenance of such Exterior Equipment, including, without limitation performing all maintenance and repair of any damage to the Exterior Equipment Area and other Common Areas caused by Tenant's use or installation of the Exterior Equipment. Prior to the installation of the Exterior Equipment, Tenant shall obtain all necessary permits and licenses from the City of Rolling Meadows, Illinois and any other governmental agency having jurisdiction over the Building, the Property, or over the Exterior Equipment and its use. Landlord shall use reasonable efforts to support Tenant in securing any required municipal approvals provided that "reasonable efforts" of Landlord shall not include payment of money or incurring any liability. Tenant shall screen the Exterior Equipment pursuant to clause (c) below. After the initial installation of the Exterior Equipment, from time to time Landlord may in its reasonable judgment, cause Tenant to relocate the Truck Equipment, at Tenant's sole cost and expense, or the Ground Antenna, at Landlord's sole cost and expense, to another portion of the parking lot serving the Building.

(c) When the Truck Antenna is not raised, the Truck Antenna shall be secured by an industrial strength tarp that is at all times locked. The color of the tarp shall be subject to Landlord's prior written approval. At all times when the Truck Antenna is raised and the Truck Antenna is not connected to the Building power, an employee of Tenant shall always be stationed with the Truck Antenna. If the Truck Antenna is connected to the Building power, then Tenant shall provide such security measures as are determined necessary by Landlord while such Truck Antenna is raised. Such security measures may require an employee of Tenant to be stationed with the Truck Antenna at all times when it is raised if Landlord and Tenant are unable to agree on other security measures. If at any time the Truck Antenna is not secured by a tarp or if an employee is not present when the Truck Antenna is raised or if Tenant does not meet such other security measures agreed to by Landlord and Tenant, then the same shall be an Event of Default under this Lease, except for the first time each calendar year that the Truck Antenna is not covered by the tarp or that an employee of Tenant is not present when the Truck Antenna is raised or that such other security measures are not met, no Event of Default shall have occurred if Tenant cures such failure within twenty-four (24) hours.

(d) If Tenant installs the Ground Antenna, Tenant shall, at Tenant's sole cost and expense, provide such security as required by Landlord to prevent access to such Ground Antenna by anyone other than Tenant. In addition, Tenant shall, at its sole cost and expense, install such screening of the Ground Antenna as required by Landlord.

5.5.3 Landlord makes no representation and shall have no obligation with respect to the suitability of the portion of the roof approved by Landlord for the installation and use of the Roof Equipment or the portion of the property identified as the Exterior Equipment Area. All of the terms and

conditions of this Lease shall be applicable to the Roof Equipment and the Exterior Equipment and Tenant shall pay all utility charges applicable to the Roof Equipment and Exterior Equipment, but the area of the roof containing the Roof Equipment and the Exterior Equipment Area shall not be considered part of the Premises for the purposes of calculating Base Rent, Tax Excess, Expense Excess, or any other charges payable under this Lease and determined on a per square foot basis.

5.5.4 Tenant agrees that: (i) it shall cooperate with the owners and users of other communications and satellite equipment installed in or on the Building and/or the roof of the Building; (ii) the installation and operation of the Roof Equipment and the Exterior Equipment shall not interfere with the operation or functioning of other communications or satellite equipment installed in or on the Building and/or the roof of the Building prior to the installation of the Roof Equipment or Exterior Equipment; (iii) Tenant shall not alter, redirect, or change the method of operation of the Roof Equipment or Exterior Equipment if such alteration, redirection, or change would interfere with the operation or functioning of other communications or satellite equipment in or on the Building at the time of such alteration, redirection, or change; and (iv) if any interference described in clauses (ii) or (iii) above occurs, Tenant shall eliminate the cause thereof at Tenant's sole expense.

5.5.5 Tenant agrees to indemnify, defend and hold the Landlord Related Parties harmless against any and all claims, demands, liability, costs, and expenses of any and every kind, including, without limitation, reasonable attorneys' fees, arising from or connected in any way with the installation, use, operation, or maintenance of the Roof Equipment or Exterior Equipment, including, without limitation, claims for interference. The Roof Equipment and Exterior Equipment shall be deemed a Required Removable for purposes of this Lease and on or prior to the Lease Expiration Date, Tenant shall remove the Roof Equipment and the Exterior Equipment and repair all damage caused by such removal, and restore the roof of the Building and the Exterior Equipment Area to the condition in which it existed immediately prior to the installation of the Roof Equipment or Exterior Equipment, as the case may be.

## **ARTICLE 6: SERVICES AND UTILITIES**

6.1 **Standard Tenant Services.** Landlord shall maintain and operate the Building in a manner consistent with other Comparable Buildings, and shall keep the Building Structure and Building Systems in good order, condition and repair.

During the Lease Term, Landlord shall provide the following services:

6.1.1 Subject to limitations imposed by all applicable Laws, during Building Hours, Landlord shall provide heating and air conditioning in season ("**HVAC**") to the Premises. Tenant, upon such advance notice as is reasonably required by Landlord, shall have the right to receive HVAC service during hours other than Building Hours. Tenant shall pay Landlord the standard charge for the additional service as reasonably determined by Landlord from time to time, which is currently \$75 per hour. The standard charge for after hours HVAC shall be subject to reasonable increases from time to time, upon prior written notice to Tenant. If any lights, machines, equipment or methods of operation are used by Tenant in the Premises which materially affect the temperature otherwise maintained by the heating, ventilation and air-conditioning system of the Building or generate substantially more heat in the Premises than would be generated by lighting standard to the Building and normal tenant use, Landlord shall, after the expiration of any applicable notice and cure periods, have the right to require Tenant to install any supplemental air-conditioning units or other machinery and equipment which Landlord deems necessary to restore the temperature balance in any affected part of the Building. The reasonable cost thereof, including any additional cost of operations and maintenance occasioned thereby, shall be paid by Tenant to Landlord upon demand. Any such supplemental air-conditioning units or other machinery and equipment shall be maintained, repaired and replaced by Tenant, at its sole cost and expense (or, at Landlord's option, by Landlord, at Tenant's sole cost and expense).

6.1.2 Landlord shall provide city water from the regular Building outlets for drinking, lavatory and toilet purposes in the Common Areas within the Building.

6.1.3 On weekdays during the Lease Term (exclusive of Holidays), Landlord shall provide janitorial services to the Premises and window washing services in a manner consistent with Comparable Buildings.

6.1.4 Landlord shall provide nonexclusive, non-attended automatic passenger elevator service for all elevators in the Building during Building Hours.

6.1.5 If Tenant desires water in the Premises for any approved reason, including a private lavatory or kitchen, cold water shall be supplied, at Tenant's sole cost and expense, from the Building water main through a line and fixtures installed at Tenant's sole cost and expense with the prior reasonable consent of Landlord and in accordance with Article 8. If Tenant desires hot water in the Premises, Tenant, at its sole cost and expense and subject to the prior reasonable consent of Landlord, may install a hot water heater in the Premises in accordance with this Lease and all applicable Laws. Tenant shall be solely responsible for maintenance and repair of any such hot water heater.

6.1.6 Landlord shall provide such other services as Landlord reasonably determines are necessary or appropriate for the Property.

6.2 **Requirements of Tenant.** At all times during the Lease Term, Tenant shall cooperate with Landlord and abide by all rules and regulations that Landlord may reasonably prescribe for the proper functioning and protection of the Building HVAC, electrical, mechanical and plumbing systems.

6.3 **Interruption of Use.** Tenant agrees that the Landlord Related Parties shall not be liable to Tenant for damages or otherwise, for failure to furnish, interruption, termination or delay in furnishing any service (including telephone and telecommunication services) or utility, or for any diminution in the quality or quantity thereof, due to the application of Laws, the failure of any equipment, the performance of repairs, improvements or alterations, or caused by any dangerous condition, emergency, accident or casualty whatsoever, by act or default of any of the Tenant Related Parties or other parties, or by any other cause (collectively, a "**Service Failure**"); and such failures shall never be deemed to constitute an eviction or disturbance of Tenant's use and possession of the Premises, give rise to an abatement of Rent, or relieve Tenant from paying Rent or performing any of its obligations under this Lease. Furthermore, Landlord shall not be liable under any circumstances for a loss of, or injury or damage to, property or for injury to, or interference with, Tenant's business, including, without limitation, loss of profits, however occurring, through or in connection with or incidental to a failure to furnish any of the services or utilities as set forth in this Article 6. Landlord may comply with voluntary controls or guidelines promulgated by any governmental entity relating to the use or conservation of energy, water, gas, light or electricity or the reduction of automobile or other emissions without creating any liability of Landlord to Tenant under this Lease. Notwithstanding the foregoing, if the Premises, or a material portion of the Premises, are made untenantable for a period in excess of three (3) consecutive business days as a result of a Service Failure that is caused by the negligence or intentional misconduct of Landlord, then Tenant, as its sole remedy, shall be entitled to receive an abatement of Base Rent, Tenant's Share of the Expense Excess and Tax Excess payable hereunder during the period beginning on the 4th consecutive Business Day after the Service Failure and ending on the day the service has been restored. If the entire Premises have not been rendered untenantable by the Service Failure, the amount of abatement shall be equitably prorated.

#### **ARTICLE 7: REPAIRS**

7.1 **Landlord's Obligations.** Landlord shall maintain, repair and replace as necessary (a) the Building Structure, (b) Common Areas, (c) Building Systems, and (d) exterior windows of the Building, and the cost of such maintenance and repair shall be included in Operating Expenses to the extent set



forth in [Section 4.2](#). Cleaning of Tenant's carpet shall be performed by Landlord upon Tenant's request and, at Landlord's option, be paid for by Tenant either (a) by a separate charge payable by Tenant to Landlord with thirty (30) days after billing by Landlord as Additional Rent, or (b) by separate charge billed by Landlord's carpet cleaner and payable directly by Tenant. Landlord shall undertake reasonable efforts to commence all maintenance, repairs and replacements pursuant to this [Section 7.1](#) promptly once Landlord has actual knowledge of the need for such maintenance, repairs and replacements; provided, however, that in cases of Emergency, Landlord shall perform any maintenance, repairs and replacements as soon as reasonably practicable once it has actual knowledge of the need for such maintenance, repairs and replacements.

**7.2 Tenant's Obligations.** Notwithstanding anything in this Lease to the contrary, Tenant shall be required to repair (or Landlord may elect to repair at Tenant's expense) any damage to the Building Structure or the Building Systems or any part of the Building that Landlord is required to repair and maintain due to the acts and omissions, or breach of this Lease by any of the Tenant Related Parties, including Tenant's use of the Premises for other than its Permitted Use. In addition, Tenant shall, at Tenant's own expense, also maintain the Premises in good order, repair and condition at all times during the Lease Term, including without limitation, the following: (a) all Alterations, (b) all personal property of Tenant, (c) private showers and kitchens, including hot water heaters, plumbing and similar facilities serving the Premises exclusively, all supplemental HVAC equipment and systems, supplemental pre-action fire control systems, supplemental power systems and equipment and any other supplemental systems and equipment whether installed by or on behalf of Tenant or existing in the Premises at the time Tenant takes possession, if any, provided, however, that if any such supplemental system or equipment is integrated or tied into a building system that Landlord is required to maintain, then Landlord shall have the right, at its option, to maintain such system or equipment at Tenant's cost and expense, in which case Tenant shall reimburse Landlord for any such cost within thirty (30) days after receipt of an invoice therefor, (d) floor coverings, interior partitions, doors, the interior side of demising walls, (e) electronic, phone and data cabling and related equipment installed by or for exclusive benefit of Tenant and located in the Premises or other portions of the Building, and (f) all portions of the Premises other than those that Landlord is required to maintain pursuant to [Section 7.1](#). Tenant shall keep the work areas and other portions of the Premises neat, organized and presentable and otherwise in a condition appropriate for a first-class office building. All work shall be performed in accordance with the rules and procedures described in [Section 8.2](#) below. Tenant hereby waives any and all rights to perform any of Landlord's obligations to repair under this Lease and off-set the Rent as may be provided under applicable Laws.

## **ARTICLE 8: ALTERATIONS**

**8.1 Landlord's Consent to Alterations.** Except for any Minor Alterations, Tenant may not make any Alterations without first procuring the prior written consent of Landlord to such Alterations, which consent shall be requested by Tenant not less than twenty (20) days prior to the commencement thereof, and which consent shall not be unreasonably withheld by Landlord. It shall be deemed reasonable for Landlord to withhold its consent to any Alteration which materially or adversely affects the Building Structure, Building Systems or exterior appearance of the Building. Landlord's approval of an Alteration (or plans and specifications therefor) shall not be a representation by Landlord that the Alteration complies with applicable Laws or will be structurally sound or adequate for Tenant's use, and Tenant shall be responsible for ensuring the same. Landlord may designate reasonable rules, regulations, procedures and conditions of approval for any Alterations by Tenant, including without limitation a requirement that Tenant obtain payment and/or completion bonds and that Tenant obtain "builder's risk" insurance for any Alterations. Tenant shall be required to use (at Tenant's sole cost) Landlord's mechanical, electrical and plumbing contractor(s) to perform all design services and review of all Alterations of Tenant which involve the Building Systems. Notwithstanding the preceding sentence to the contrary, Tenant shall have the right to make Minor Alterations, provided that (a) Tenant provides Landlord with no less than twenty (20) days prior written notice of such Minor Alterations, including the nature and estimated cost thereof, and Landlord shall be entitled to post a notice of non-responsibility; and (b) such Minor Alterations shall be completed and installed in compliance with all other provisions of this [Article 8](#).

**8.2 Manner of Construction.** Prior to starting any work, Tenant shall furnish Landlord with plans and specifications reasonably acceptable to Landlord; names of contractors reasonably acceptable to Landlord (provided that Landlord may designate specific contractors with respect to Building Systems); copies of contracts; necessary permits and approvals; evidence of contractor's and subcontractor's insurance in amounts reasonably required by Landlord; and any security for performance that is reasonably required by Landlord. Changes to the plans and specifications must also be submitted to Landlord for its approval. Tenant shall utilize only competent contractors, subcontractors, materials, mechanics and materialmen reasonably approved by Landlord for the construction of any Alterations, which approval shall not be unreasonably withheld. Tenant shall construct such Alterations and perform such repairs (a) at Tenant's sole cost; (b) in accordance with plans and specifications approved by Landlord, the terms of this Lease, all applicable Laws and Landlord's construction rules and regulations; (c) without interference with the operation of Landlord or other occupants of the Building; and (d) in a good and workmanlike manner, using quality materials and pursuant to a valid building permit, issued by the City of Rolling Meadows. In the event Tenant performs any Alterations in the Premises which require or give rise to governmentally required changes to the Base Building, then Landlord shall, or, at Landlord's option, Tenant shall, in either case at Tenant's expense, make such changes to the Base Building and Tenant shall reimburse Landlord as Additional Rent, upon demand, for such expense. In the event Tenant must perform any Alterations in another tenant's premises or in the event Tenant must perform any Alterations that require access to another tenant's premises, then Landlord shall, or, at Landlord's option, Tenant shall, in either case at Tenant's expense, either perform such Alterations in such other tenant's premises or access such other tenant's premises, as necessary, to perform such Alterations and Tenant shall reimburse Landlord as Additional Rent, upon demand, for such expense. Tenant shall use good faith efforts to avoid any action which would cause any Labor Dispute. If any action or inaction on the part of any Tenant Related Party causes a Labor Dispute, Tenant shall take any actions necessary to resolve such Labor Dispute, including without limitation having any pickets removed and, at the request of Landlord, terminating any work being performed in the Premises giving rise to such Labor Dispute, until such time as Landlord shall have given its written consent for the resumption of such work (which consent shall not be unreasonably withheld), and Tenant shall have no Claim for damages of any nature against any of the Landlord Related Parties in connection therewith, nor shall the Lease Commencement Date be extended as a result thereof. In addition to Tenant's obligations under Article 9 of this Lease, upon completion of any Alterations which affect the Building Systems or Building Structure, Tenant agrees to cause such notices as may be necessary to evidence completion of any work undertaken by Tenant to be recorded in the office of the Recorder of the Cook County of in accordance with the Laws of the State of Illinois, and Tenant shall deliver to the Property management office a reproducible copy of the "as built" drawings of the Alterations, all permits, approvals and other documents issued by any governmental agency in connection with the Alterations, Tenant's affidavit, completion affidavits, contractor's sworn statements, full and final waivers of lien and receipted bills covering all labor and materials and any other documentation required by any Mortgagee or Landlord's title insurance company.

**8.3 Payment for Alterations.** Tenant shall comply with all applicable Laws relating to final lien releases and waivers in connection with Tenant's payment for work to contractors. Whether or not Tenant orders any work directly from Landlord, Tenant shall reimburse Landlord as Additional Rent, upon demand, for Landlord's costs and expenses incurred in connection with any Alterations. In addition, within thirty (30) days after receipt of an invoice from Landlord, Tenant shall pay Landlord a fee for Landlord's oversight and coordination of any Alterations equal to three percent (3%) of the cost of the Alterations.

**8.4 Landlord's Property.** All Alterations, fixtures, equipment and/or appurtenances other than Tenant's Property which may be installed or placed in or about the Premises, from time to time, shall be deemed the property of Landlord and shall remain upon and be surrendered with the Premises in good order, condition and repair upon the expiration of this Lease, subject to Landlord's right to require Tenant to remove the Required Removables as provided in Section 15.

8.5 **Initial Alterations.** Promptly following delivery of possession of the Premises to Tenant, Tenant shall commence and diligently pursue to completion the Initial Alterations pursuant to the terms of the Work Letter (attached hereto as **Exhibit C**) and this Article 8.

#### **ARTICLE 9: COVENANT AGAINST LIENS**

Tenant shall keep the Property, Premises and Tenant's leasehold interest free from any liens or encumbrances arising out of the work performed, materials furnished or obligations incurred by or on behalf of Tenant, or anyone claiming by, through or under Tenant, and shall protect, defend, indemnify and hold the Landlord Related Parties harmless from and against any Claims arising out of same or in connection therewith. Tenant shall give Landlord notice at least ten (10) days prior to the commencement of any such work on the Premises (or such additional time as may be necessary under applicable Laws or as required by another provision in this Lease) to afford Landlord the opportunity of posting and recording appropriate notices of non-responsibility. Tenant shall remove any such lien or encumbrance by settling the claim or by bonding or insuring over the lien within fifteen (15) days after notice by Landlord, and if Tenant shall fail to do so, Landlord may, in addition to Landlord's other rights and remedies hereunder, and without any additional notice to Tenant or opportunity for Tenant to cure, bond, insure over or discharge such lien or encumbrance, without being responsible for investigating the validity thereof, and Tenant shall repay Landlord such amounts as Additional Rent within fifteen (15) days after Landlord's written demand, without limitation as to other remedies available to Landlord under this Lease. Notwithstanding the foregoing, provided Tenant provides a title indemnity or bond reasonably acceptable to Landlord and any mortgagee or other alternative security protecting Landlord and Mortgagee, then Tenant may diligently, in good faith contest such lien. Nothing contained in this Lease shall authorize Tenant to do any act which shall subject Landlord's title to the Property, Building or Premises to any liens or encumbrances whether claimed by operation of Law or express or implied contract.

#### **ARTICLE 10: INSURANCE AND INDEMNIFICATION**

##### **10.1 Indemnification and Waiver.**

10.1.1 Except to the extent caused by the gross negligence or willful misconduct of any of the Landlord Related Parties, Tenant shall indemnify, defend and hold the Landlord Related Parties harmless from and against all Claims (if and to the extent permitted by applicable Law), which may be imposed upon, incurred by or asserted against any of the Landlord Related Parties and arising out of or in connection with any damage or injury occurring in the Premises or any acts or omissions (including violations of applicable Laws) of any of the Tenant Related Parties or any breach of this Lease by Tenant or as a result of Tenant's use of the Ground Antenna or the Truck Equipment as permitted pursuant to the terms of this Lease.

10.1.2 Except to the extent caused by the negligence or willful misconduct of any of the Tenant Related Parties, Landlord shall indemnify, defend and hold the Tenant Related Parties harmless from and against all Claims (if and to the extent permitted by applicable Law), which may be imposed upon, incurred by or asserted against any of the Tenant Related Parties and arising out of or in connection with the acts or omissions (including violations of applicable Law) of the Landlord Related Parties, provided that in each case such Claim results from the gross negligence of any of the Landlord Related Parties.

10.1.3 Except to the extent of any gross negligence or willful misconduct of any of the Landlord Related Parties, the Landlord Related Parties shall not be liable for, and Tenant waives, all claims for loss or damage to Tenant's business or loss, theft or damage to Tenant's property or the property of any person claiming by, through or under Tenant resulting from: (a) wind or weather; (b) the

failure of any sprinkler, heating or air-conditioning equipment, any electric wiring or any gas, water or steam pipes; (c) the backing up of any sewer pipe or downspout; (d) the bursting, leaking or running of any tank, water closet, drain or other pipe; (e) water, snow or ice upon or coming through the roof, skylight, stairs, doorways, windows, walks or any other place upon or near the Building; (f) any act or omission of any party other than the Landlord Related Parties; and (g) any other causes other than the gross negligence or willful misconduct of any of the Landlord Related Parties. Tenant shall insure itself against such losses under Section 10.3.2 below. To the maximum extent permitted by applicable Laws, Tenant agrees to use and occupy the Premises, the Building and the Property at Tenant's own risk.

**10.2 Tenant's Compliance With Landlord's Fire and Casualty Insurance.** None of the Tenant Related Parties shall do or fail to do anything which will (a) violate the terms of or increase the rate of, any of Landlord's or any other tenant or occupant's insurance policies; (b) prevent Landlord from obtaining such policies of insurance acceptable to Landlord or any Mortgagee; or (c) contravene the rules, regulations and recommendations of Landlord's insurance companies, the Fire Insurance Rating Organization or any similar body having jurisdiction over the Premises or the National Board of Fire Underwriters or any similar body exercising similar functions in connection with the prevention of fire or the correction of hazardous conditions. In the event of the occurrence of any of the events set forth in this Section 10.2, Tenant shall pay Landlord upon demand, as Additional Rent, the cost of the amount of any increase in any such insurance premium.

**10.3 Tenant's Insurance.** Tenant shall maintain the following coverages, at Tenant's sole cost, in the following amounts:

10.3.1 Commercial General Liability Insurance covering the insured against claims of bodily injury, personal injury and property damage (including loss of use thereof) arising out of Tenant's operations, and contractual liabilities (covering the performance by Tenant of its indemnity agreements) including a Broad Form endorsement covering the insuring provisions of this Lease and the performance by Tenant of the indemnity agreements set forth in Section 10.1 of this Lease. Such policy shall be written on an "occurrence" basis, shall contain Severability of Interest and Cross Liability clauses and limits of liability not less than:

Bodily Injury and	\$2,000,000 each occurrence
Property Damage Liability	\$2,000,000 annual aggregate
Personal Injury Liability	\$2,000,000 each occurrence
	\$2,000,000 annual aggregate
	0% Insured's participation

10.3.2 Physical Damage Insurance covering Tenant's personal property and all Alterations in and to the Premises, including flood and earthquake. Such insurance shall (a) be written on an "all risks" of physical loss or damage basis, for the full replacement cost value new without deduction for depreciation of the covered items and in amounts that meet any co-insurance clauses of the policies of insurance, and (b) include coverage for damage or other loss caused by fire or other peril including, but not limited to, vandalism and malicious mischief, theft, water damage of any type, including sprinkler leakage, bursting or stoppage of pipes, and explosion, and providing business interruption coverage for a period of one (1) year, and (c) have a maximum deductible of Ten Thousand Dollars (\$10,000.00).

10.3.3 Employer's Liability coverage of at least One Million Dollars (\$1,000,000) per occurrence and Worker's Compensation Insurance or other similar insurance pursuant to all applicable Laws.

10.3.4 Whenever good business practice, in accordance with industry standards, indicates the need of additional insurance coverage or different types of insurance in connection with the Premises or Tenant's use and occupancy thereof, Tenant shall, upon request, obtain such insurance at Tenant's expense and provide Landlord with evidence thereof.

**10.4 Form of Policies.** The minimum limits of policies of insurance required of Tenant under this Lease shall in no event limit the liability of Tenant under this Lease. Such insurance shall (a) name the Landlord Related Parties and other designees of Landlord as additional insureds; (b) specifically cover the liability assumed by Tenant under this Lease, including, but not limited to, Tenant's obligations under Section 10.1 of this Lease; (c) be issued by an insurance company having a rating of not less than A-IX in Best's Insurance Guide and licensed to do business in the State of Illinois; (d) be primary insurance as to all claims thereunder and provide that any insurance carried by Landlord is excess and is non-contributing with any insurance requirement of Tenant; and (e) provide that said insurance shall not be canceled or coverage changed unless thirty (30) days' prior written notice shall have been given to Landlord. Tenant shall deliver certificates evidencing such insurance to Landlord on or before the Lease Commencement Date and at least thirty (30) days before the expiration dates thereof. In the event Tenant shall fail to procure such insurance, or to deliver such policies or certificate, Landlord may, at its option, procure such policies for the account of Tenant, who shall reimburse Landlord for such insurance as Additional Rent upon written demand. Each policy of insurance provided by Tenant and the coverage evidenced thereby shall be primary, and Landlord's insurance shall be noncontributing with such primary coverage.

**10.5 Subrogation.** Notwithstanding anything in this Lease to the contrary, Landlord and Tenant hereby waive and shall cause their respective insurance carriers to waive any and all Claims against the other and their respective Related Parties, for any loss or damage that may occur to Landlord or Tenant or any party claiming by, through or under Landlord or Tenant, as the case may be, with respect to Tenant's Property, the Building, the Premises, any additions or improvements to the Building or Premises, or any contents thereof, including all Claims arising out of the gross negligence or negligence of any of the Landlord Related Parties or the negligence of any of the Tenant Related Parties, which loss or damage is insured against under a policy(ies) of property insurance the waiving party has in place or which would have been insured against under a property insurance policy, if the waiving party had carried the insurance it was required to maintain under this Lease.

## **ARTICLE 11: DAMAGE AND DESTRUCTION**

**11.1 Damage.** Landlord shall have the right to terminate this Lease if: (a) the Building shall be damaged so that, in Landlord's reasonable judgment, substantial alteration or reconstruction of the Building shall be required (whether or not the Premises has been damaged); (b) Landlord is not permitted by applicable Law to rebuild the Building in substantially the same form as existed before the fire or casualty; (c) the Premises have been materially damaged and there is less than two (2) years of the Lease Term remaining on the date of the casualty; (d) any Mortgagee requires that the insurance proceeds be applied to the payment of the Mortgage; or (e) a material uninsured loss to the Building occurs. Landlord shall also have the right to terminate this Lease under the circumstances set forth in Section 11.6. Landlord may exercise its right to terminate this Lease by notifying Tenant in writing within ninety (90) days after (i) the settlement of the loss resulting from the casualty between Landlord and Landlord's insurers and (ii) the date Landlord determines the loss is uninsured. If Landlord does not terminate this Lease, (A) subject to Landlord's ability to obtain the necessary permits, Landlord shall commence and proceed with reasonable diligence to repair and restore the Premises (excluding Alterations and Tenant's Property); provided, however, in no event shall Landlord be required to spend more than the insurance proceeds received by Landlord which is allocable to the Premises, and (B) Tenant shall commence and proceed with reasonable diligence to repair and restore the Premises (including Alterations and Tenant's Property) to a substantially similar condition as existed prior to the casualty, and otherwise in accordance with the terms and conditions of this Lease. All proceeds of insurance carried by Tenant covering the Alterations and Tenant's Property shall belong to and be payable to Tenant. If this Lease is terminated by Landlord or Tenant pursuant to this Article 11 or pursuant to any other Section hereof, or if Tenant does not repair and refixture the Premises pursuant to this Section 11.1, the proceeds covering the Alterations shall belong to and be payable to Landlord, and any such proceeds received by Tenant shall be paid by Tenant to Landlord. None of the Landlord Related Parties shall be liable for any loss or damage to Tenant's Property or to the business of Tenant resulting in any way from the fire or other casualty or from the repair and restoration of the damage.

11.2 **Abatement of Rent; Tenant's Remedies.** In the event Landlord repairs or restores the Premises pursuant to the provisions of this Article 11, the Base Rent and Additional Rent payable hereunder for the period from the date of such damage and during which such repair or restoration continues until such time that Tenant is reasonably able to conduct business in the Premises shall be abated in proportion to the amount of square footage of the Premises rendered untenable. If such damage is caused by Tenant or any Tenant Related Party, such abatement shall be limited to the amount of the proceeds of rental value insurance actually received by Landlord. Except for abatement of Base Rent and Additional Rent, if any, Tenant shall have no Claim against Landlord for any damage suffered by reason of any such damage, destruction, repair or restoration.

11.3 **Waiver.** Landlord and Tenant waive all Laws relating to the matters addressed in this Article, and agree that the rights and obligations of the parties in such event shall be solely governed by the terms of this Lease.

11.4 **Notice of Damage.** Tenant shall immediately notify Landlord after the occurrence thereof of any damage to all or any portion of the Premises. In no event shall Landlord have any obligation to repair or restore the Premises prior to receipt of said notice.

11.5 **Replacement Cost.** The reasonable determination by Landlord of the estimated cost of repair of any damage, or of the Replacement Cost shall be conclusive for purposes of this Article 11. For purposes of this Lease, the term "**Replacement Cost**" shall mean the amount of money necessary to be spent in order to repair or rebuild the damaged area to the condition that existed immediately prior to the damage occurring, excluding all Alterations made by Tenant or other tenants of the Building.

11.6 **Tenant's Right to Terminate.** If all or any portion of the Premises shall be made untenable by fire or other casualty, Landlord shall, with reasonable promptness, cause an architect or general contractor selected by Landlord to provide Landlord and Tenant with a written estimate of the amount of time required to substantially complete the repair and restoration of the Premises and make the Premises tenantable again, using standard working methods. If at any time during the Lease Term there is damage or destruction which Landlord's contractor reasonably estimates cannot be repaired within two hundred ten (210) days from the date the repair is started, or is not in fact repaired within such time period, then Tenant may give written notice to Landlord within twenty (20) days of Tenant receiving such estimate (or within twenty [20] days following expiration of the two hundred ten [210] day period if such repairs are not completed) of Tenant's intention to cancel and terminate this Lease, in which case this Lease shall be canceled and terminated as of the date of the occurrence of such damage. Tenant, however, shall not have the right to terminate this Lease if the fire or casualty was caused by the negligence or intentional misconduct of any of the Tenant Related Parties.

## ARTICLE 12: HAZARDOUS MATERIALS

12.1 **Hazardous Materials.** Tenant shall (a) not, nor shall Tenant allow any person to, manufacture, use, store, handle, transport, dispose of, spill, leak, dump, emit or release any Hazardous Materials on, under, about or from the Premises or the Property, except that Tenant may use office supplies or products (such as copier fluids or cleaning supplies) customarily used in the conduct of general business office activities, if, and only if, (1) such Hazardous Materials are used only in such quantities as are reasonably necessary for the operation of Tenant's business and in strict compliance with all applicable Environmental Laws, and (2) Tenant immediately gives Landlord written notice of all such use of Hazardous Materials, specifically describing the manner in which such Hazardous Materials are used, handled and stored, the availability of any non-hazardous or less hazardous alternatives, the type and quantity of hazardous waste generated as a result of such use, handling and storage and the method and location where such wastes are disposed of and discharged, (b) at its sole cost and expense

comply (and be responsible for the compliance of all its employees, agents and contractors, or any other persons occupying, present on, or removing any Hazardous Materials from the Premises) with all applicable Environmental Laws, and (c) upon Tenant's receipt of all reports, citations, notices and other writings regarding any Hazardous Materials on, under, about or migrating from the Premises or the Property (or if written by Tenant, upon its writing) immediately notify and provide a copy of same to Landlord.

With respect to all Hazardous Materials released, spilled, leaked, dumped and emitted on, under, about or migrating from the Premises or the Property (if introduced by any of the Tenant Related Parties), Tenant shall, at Tenant's sole cost and expense, immediately: (i) notify Landlord of same, (ii) remove such Hazardous Materials from the Premises, the Property and all other property on, under or about which the Hazardous Materials have migrated (or Landlord may elect to cause such removal and Tenant shall reimburse Landlord the cost thereof as Additional Rent), (iii) dispose of such Hazardous Materials in compliance with all applicable Environmental Laws (or Landlord may elect to cause such removal and Tenant shall reimburse Landlord the cost thereof as Additional Rent), and (iv) remediate and repair all damages arising from such release, spill, leak, dumping and emission (or Landlord may elect to cause such removal and Tenant shall reimburse Landlord the cost thereof as Additional Rent). Such remediation and repair shall include, without limitation, Tenant's modification of the HVAC system to (y) meet the requirements of The Clean Air Act, as amended (including all regulations promulgated thereunder), and all state and local air laws and regulations, and (z) reduce any odors and airborne irritants to Landlord's satisfaction.

12.2 **Indemnification.** Tenant agrees to indemnify, defend, protect and hold harmless the Landlord Related Parties from any and all Claims arising directly or indirectly, in whole or in part, out of (a) any Hazardous Materials on, under, about or migrating from the Premises, (b) all activities conducted on or off the Premises, at any time, in connection with all Hazardous Materials, by Tenant or its employees, agents or contractors of Tenant or any third persons at any time occupying or present on the Premises, and (c) all breaches of any requirement under this Article 12.

12.3 **Waiver.** Tenant hereby waives any and all Claims Tenant may now or hereafter have based upon any inconvenience, interruption of Tenant's business or any other loss or Claim which maybe suffered or incurred as a result of the presence of Hazardous Materials within the Premises or the removal or abatement of the same.

### **ARTICLE 13: CONDEMNATION**

If the Premises or any portion thereof are taken under the power of eminent domain by any public or quasi-public authority, or sold under the threat of the exercise of said power (collectively, "**condemnation**"), either party may terminate this Lease as of the date the condemning authority takes title or possession, whichever first occurs (the "**effective date of the condemnation**") by giving notice to the other party of such election within thirty (30) days after the effective date of such condemnation. Landlord shall also have the right to terminate this Lease if there is a condemnation of any portion of the Building or Property which would leave the remainder of the Building unsuitable for use as an office building in a manner comparable to the Building's use prior to the condemnation. In order to exercise its right to terminate this Lease, Landlord must provide written notice of termination to Tenant within thirty (30) days after Landlord first receives notice of the condemnation. Any such termination shall be effective as of the effective date of the condemnation. If neither Landlord nor Tenant so elects to terminate this Lease, then this Lease shall remain in full force and effect as to the portion of the Premises remaining. In addition, Rent for any portion of the Premises condemned shall be abated during the unexpired Lease Term effective as of the effective date of the condemnation. Any award for the taking of all or any part of the Premises under the power of eminent domain or any payment made under threat of the exercise of such power shall be the sole property of Landlord, whether such award shall be made as compensation for diminution in value of the leasehold or for the taking of the fee, or as severance damages, any right to receive compensation or proceeds being expressly waived by Tenant. However, Tenant shall be entitled

to file a separate claim for loss of or damage to Tenant's Property, the unamortized book value or cost (whichever is less) of the Alterations made to the Premises by Tenant at Tenant's sole cost and expense and relocation costs, provided the filing of such claim by Tenant does not adversely affect or diminish the award which would otherwise be received by Landlord. In the event that this Lease is not terminated by reason of such condemnation and as permitted by applicable Law, Landlord shall to the extent feasible restore the remaining portion of the Premises a complete unit, provided Landlord shall not be required to expend more on such restoration than an amount equal to the net proceeds of the condemnation award actually received and retained by Landlord which is allocable to the Premises. Tenant shall pay any amount in excess of such proceeds required to complete such repair.

Landlord and Tenant waive the provisions of any applicable Laws relating to termination of leases in the event of condemnation, and agree that the rights and obligations of the parties in such event shall be governed by the terms of this Lease.

#### **ARTICLE 14: ASSIGNMENT AND SUBLETTING**

14.1 **Transfers.** Tenant shall not, without the prior written consent of Landlord (except as provided in Section 14.8 below) Transfer this Lease or any interest hereunder, or enter into any license or concession agreements or otherwise permit the occupancy or use of the Premises or any part thereof by any persons other than Tenant. Except as provided below with respect to a Permitted Transfer, if Tenant is a corporation, limited liability company, partnership, or similar entity, a change in Control of such entity (including, but not limited to, a merger, consolidation or reorganization) shall constitute a Transfer. The foregoing shall not apply so long as Tenant is an entity whose outstanding stock is listed on a recognized security exchange. If Tenant desires Landlord's consent to any Transfer, Tenant shall notify Landlord in writing, which notice (the "**Transfer Notice**") shall include (a) the proposed effective date of the Transfer, which shall not be less than twenty-one (21) days after the date of delivery of the Transfer Notice, (b) all of the terms of the proposed Transfer and the consideration for the Transfer, including calculation of the Transfer Premium, in connection with such Transfer, (c) the name and address of the proposed Transferee, and a copy of all existing executed and/or proposed documentation pertaining to the proposed Transfer, including all existing operative documents to be executed to evidence such Transferor the agreements incidental or related to such Transfer, and (d) current financial statements of the proposed Transferee certified by an officer, partner or owner thereof, business credit and personal references and history of the proposed Transferee and any other information reasonably required by Landlord which will enable Landlord to determine the financial responsibility, character, and reputation of the proposed Transferee, nature of such Transferee's business and proposed use of the Premises. Any Transfer made without Landlord's prior written consent, except for a Permitted Transfer, shall not be binding upon Landlord, shall confer no rights on any third person, and shall, at Landlord's option, be null, void and of no effect, and constitute an Event of Default.

14.2 **Landlord's Consent.** Landlord shall not unreasonably withhold or delay its consent to any proposed Transfer on the terms specified in the Transfer Notice and shall provide its consent, deny consent or exercise its right to terminate this Lease in writing no later than twenty-one (21) days following Tenant's request which includes all of the information required to be provided by Tenant to Landlord hereunder. Without limitation as to other reasonable grounds for withholding consent, the parties hereby agree that it shall be reasonable under this Lease and under any applicable Law for Landlord to withhold consent to any proposed Transfer where one or more of the following apply: (a) The Transferee is of a character or reputation or engaged in a business which is not suitable with the quality of the Building or the Property as reasonably determined by Landlord; (b) the Transferee intends to use the Premises for purposes which are not permitted under this Lease or would result in a violation of another tenant's rights or of an agreement by which Landlord is bound; (c) the Transferee is either a governmental agency or instrumentality thereof; (d) an Event of Default has occurred; (e) the Transferee's financial condition is at least equal to that of Tenant as of the date of this Lease but in any event not less than Ten Million Dollars (\$10,000,000.00), (f) any portion of the Building or Premises would likely become subject to additional or different Laws as a consequence of the proposed Transfer; (g) Landlord is not able to obtain the consent



of any third parties having approval rights, (h) Tenant is in occupancy of less than fifty percent (50%) of the Rentable Square Footage of the Premises, (i) the Transferee has delivered a letter of intent to Landlord or Landlord's agent to lease space in the Building, or the Transferee and Landlord or Landlord's agent have commenced negotiations to lease space in the Building, or (j) the Transferee occupies space in the Building.

Tenant shall not be entitled to receive monetary damages based upon a claim that Landlord unreasonably withheld its consent to a proposed Transfer and Tenant's sole remedy shall be an action to enforce any such provision through specific performance or declaratory judgment. Tenant shall indemnify, defend and hold harmless the Landlord Related Parties from any and Claims involving any third party or parties (including, without limitation, Tenant's proposed Transferee) who claim they were damaged by Landlord's alleged wrongful withholding of Landlord's consent.

**14.3 Transfer Premium.** In connection with any Transfer, as a condition thereto which the parties hereby agree is reasonable, Tenant shall pay to Landlord as Additional Rent, fifty percent (50%) of any Transfer Premium received by Tenant from such Transferee. Tenant shall pay Landlord the Transfer Premium within thirty (30) days after Tenant's receipt of the same. Landlord or its authorized representatives shall have the right at all reasonable times and upon thirty (30) days Notice to Tenant to audit the books and records of Tenant relating to any Transfer Premium, and make copies thereof to the extent necessary or desirable. If the Transfer Premium respecting any Transfer shall be found understated, Tenant shall, within thirty (30) days after demand, pay the deficiency and the reasonable costs of Landlord's audit.

**14.4 Recapture.** With respect to any Transfer requiring Landlord's consent, in lieu of consenting to any proposed Transfer, Landlord shall have the right, but not the obligation, to terminate this Lease and recapture the Premises upon thirty (30) days notice to Tenant unless, within five (5) business days after Landlord's notice to Tenant exercising its option to cancel and terminate this Lease, Tenant notifies Landlord in writing that Tenant is withdrawing its request for Landlord's consent to such Transfer, in which event such exercise by Landlord of such option to cancel shall be void and of no further force and effect.

**14.5 Effect of Transfer.** For each and every Transfer (a) the terms, covenants and conditions of this Lease shall in no way be deemed to have been waived or modified, (b) consent by Landlord to a Transfer shall not be deemed consent to any further Transfer by either Tenant or a Transferee, (c) Tenant shall deliver to Landlord, promptly after execution, an original executed copy of all documentation pertaining to the Transfer, (d) the Transferee shall operate in the business in the Premises only for the Permitted Use, and for no other purpose, and (e) in the case of an assignment, the Transferee shall assume Tenant's obligations under this Lease in a written agreement satisfactory to Landlord (acting reasonably). No Transfer, whether with or without Landlord's consent, shall relieve Tenant from any liability under this Lease.

**14.6 Occurrence of Default.** If an Event of Default occurs, Landlord is hereby authorized to direct any Transferee to make all payments under or in connection with the Transfer directly to Landlord (which Landlord shall apply towards Tenant's obligations under this Lease) until such Event of Default is cured. No collection or acceptance of rent by Landlord from any Transferee shall be deemed a waiver of any provision of this [Article 14](#) or the approval of any Transferee or a release of Tenant from any obligation under this Lease, whether theretofore or thereafter accruing. In no event shall Landlord's enforcement of any provision of this Lease against any Transferee be deemed a waiver of Landlord's right to enforce any term of this Lease against Tenant or any other person.

**14.7 Review Fees.** Whether or not Landlord consents to any proposed Transfer, Tenant shall, upon demand reimburse Landlord, as Additional Rent, for all reasonable attorneys' fees and administrative costs and expenses incurred by Landlord, not to exceed \$5,000.00, in connection with any proposed Transfer so long as Tenant and its proposed transferee shall only make minimal comments to Landlord's standard consent document.

**14.8 Permitted Transfers.** Tenant may assign its entire interest under this Lease or sublease all or any portion of the Premises to an entity controlling, controlled by or under common control with Tenant, Tenant's parent or the Guarantor (an "**Affiliate**") without the consent of Landlord, or to a successor to Tenant or a successor to Tenant's parent, by purchase, merger, consolidation or reorganization without the consent of Landlord, provided that all of the following conditions are satisfied provided that all of the following conditions are satisfied (a "**Permitted Transfer**"): (a) an Event of Default has occurred prior to the date of the Transfer; (b) Tenant's successor shall own all or substantially all of the assets of Tenant; (c) Tenant's successor shall have a net worth which is at least equal to the greater of Tenant's net worth at the date of this Lease or Tenant's net worth as of the day prior to the proposed purchase, merger, consolidation or reorganization; (d) the Permitted Use does not allow the Premises to be used for retail purposes and such Transferee operates in the Premises for the same business that Tenant operated for in the Premises; and (e) Tenant shall give Landlord written notice at least twenty-one (21) days prior to the effective date of the proposed purchase, merger, consolidation or reorganization. Tenant's notice to Landlord shall include information and documentation showing that each of the above conditions has been satisfied. If requested by Landlord, Tenant's successor shall sign a commercially reasonable form of assumption agreement. Any Transferee to whom Tenant may assign this Lease or sublease all or any portion of the Premises without Landlord's consent pursuant to this Section 14.8 shall be referred to herein as a "**Permitted Transferee**".

#### **ARTICLE 15: SURRENDER OF PREMISES**

Upon the expiration of the Lease Term, or upon any earlier termination of this Lease, Tenant shall quit and surrender possession of the Premises to Landlord in as good order and condition as when Tenant took possession and as thereafter improved by Landlord and/or Tenant, reasonable wear and tear excepted. At such expiration or termination, Tenant shall, without expense to Landlord, remove or cause to be removed from the Premises all debris and rubbish, Tenant's Property and the Required Removables. Tenant shall repair at its own expense all damage to the Premises and Building to the extent resulting from such removal and restore the Premises to the same condition as existed prior to the installation of the same. If Tenant fails to complete such removal, repair and restoration within two (2) days after the termination of this Lease or of Tenant's right to possession, Landlord, at Tenant's sole cost and expense, shall be entitled (but not obligated) to complete such removal, repair and restoration. Landlord shall not be responsible for the value, preservation or safekeeping of the property so removed. Tenant shall pay Landlord, upon demand, as Additional Rent the expenses and storage charges incurred for such property. In addition, if Tenant fails to remove such property from the Premises or storage, as the case may be, within thirty (30) days after written notice, Landlord may deem all or any part of such property to be abandoned, and title to such property shall be deemed to be immediately vested in Landlord.

#### **ARTICLE 16: HOLDING OVER**

If Tenant holds over after the expiration of the Lease Term or earlier termination thereof, with or without the express or implied consent of Landlord, such tenancy shall be that of a tenancy at sufferance. No holdover by Tenant or payment by Tenant of Rent shall constitute a renewal hereof or an extension for any further term or prevent Landlord from immediate recovery of the Premises. Such tenancy at sufferance shall be subject to every term, covenant and condition contained herein, except that Tenant shall pay on the first day of each month, as holdover rent, (1) for the first thirty (30) days following the expiration of the Lease Term or earlier termination of this Lease, an amount (on a per-month basis without reduction for partial months during the holdover) equal to one hundred twenty-five percent (125%) of the Base Rent then payable for the last full month of the Lease Term and (2) from and after the thirty-first (31st) day following the expiration of the Lease Term or earlier termination of this Lease, an amount (on a per-month basis without reduction for partial months during the holdover) equal to one hundred fifty

percent (150%) of the greater of (a) the Base Rent and Additional Rent payable for the last full month of the Lease Term, and (b) the fair market gross rental for the Premises as reasonably determined by Landlord. Nothing contained in this Article 16 shall be construed as consent by Landlord to any holding over by Tenant. The provisions of this Article 16 shall not be deemed to limit or constitute a waiver of any other rights or remedies of Landlord provided herein or at Law. If Tenant fails to surrender the Premises within thirty (30) days after the termination or expiration of this Lease, in addition to any other liabilities to Landlord accruing therefrom, Tenant shall protect, defend, indemnify and hold the Landlord Related Parties harmless from all Claims resulting from such failure, including, without limiting the generality of the foregoing, any Claims made by any succeeding tenant founded upon such failure to surrender and any lost profits to Landlord resulting therefrom. Notwithstanding the foregoing, if Landlord has notified Tenant that Landlord has a new tenant for the Premises, then the terms of the prior sentence shall apply as of the termination or expiration of this Lease and not thirty (30) days thereafter.

#### **ARTICLE 17: ESTOPPEL CERTIFICATES**

As often as may be requested by Landlord in writing, Tenant shall promptly and without cost to Landlord duly execute and deliver to Landlord or to any other person designated by Landlord a written instrument certifying: (a) that this Lease is unmodified and in full force and effect (or if there has been a modification, that the same is in full force and effect as modified, and stating the modification); (b) the dates, if any, to which the Rent, and other sums and payments due under this Lease have been paid; (c) whether Landlord has breached the performance of any covenants, terms and conditions on Landlord's part to be performed under this Lease, and the nature of Landlord's breach, if any; and (d) such other information as Landlord or any Mortgagee may reasonably request. Landlord may prepare said document for Tenant's signature and send the same to Tenant for Tenant's signature and in the event that Tenant does not execute and return the same to Landlord within ten (10) business days, Tenant shall be deemed to have certified all information contained therein. Any such certificate may be relied upon by any prospective Mortgagee or purchaser of all or any portion of the Property.

In connection with the sale of Tenant's business or if requested by Tenant's lender, but in any event not more than one (1) time per calendar year, Landlord shall within ten (10) business days and without cost to Tenant duly execute and deliver to Tenant or to any other person designated by Tenant a written instrument certifying: (a) that this Lease is unmodified (or if there has been a modification, stating the modification); and (b) such other factual information as Tenant or Tenant's lender may reasonably request. Any such certificate may be relied upon by any prospective lender or purchaser of Tenant.

#### **ARTICLE 18: SUBORDINATION**

This Lease shall be subject and subordinate to all Mortgages, and to all advances made or hereafter to be made upon the security of such Mortgages, unless the Mortgagees require in writing that this Lease be superior thereto, in which case, the Lease and Tenant's rights hereunder shall be superior and prior in right to the applicable Mortgage; provided, however, so long as an Event of Default does not exist, Tenant's possession of the Premises shall not be disturbed as set forth in this Lease. Tenant's acknowledgement and agreement of subordination provided for in this Article 18 is self-operative and no further instrument of subordination shall be required. Tenant shall, within ten (10) business days of request by Landlord, execute such further instruments or assurances as Landlord may reasonably deem necessary to evidence or confirm the subordination or superiority of this Lease to any such Mortgages. Tenant waives the provisions of any current or future Law which may give or purport to give Tenant any right or election to terminate or otherwise adversely affect this Lease and the obligations of the Tenant hereunder in the event of any foreclosure proceeding or sale. If requested by a successor-in-interest to all or a part of Landlord's interest in this Lease, Tenant shall, without charge, attorn to the successor-in-interest. Landlord's interest herein may be assigned as security at any time to any lienholder. If the Mortgagee or the purchaser ("**Purchaser**") upon the foreclosure of any of the loan documents in favor of Mortgagee shall succeed to the interest of Landlord under this Lease, such Mortgagee or Purchaser shall have the same remedies, by entry, action or otherwise for the non performance of any agreement

contained in this Lease, for the recovery of Rent or for any other Event of Default hereunder that Landlord had or would have had if any such Mortgagee or Purchaser had not succeeded to the interest of Landlord. Unless otherwise expressly agreed to the contrary, any such Mortgagee or Purchaser which succeeds to the interest of Landlord hereunder, shall not be (i) liable for any act or omission of any prior landlord (including Landlord) unless such act or omission is of a continuing nature; or (ii) subject to any offsets (except for those express rights granted to Tenant by the terms of the Lease) or defenses which Tenant might have against any prior landlord (including Landlord); or (iii) bound by any Rent (except for prepayments of the Tax Excess, the Expense Excess, Tenant's Electricity Cost and any other utilities provided by Landlord) which Tenant might have paid for more than the current month to any prior landlord (including Landlord); (iv) bound by any amendment or modification of this Lease made without its consent; or (v) liable for the return of the Security Deposit unless the Security Deposit has been delivered to Mortgagee or Purchaser, as the case may be ; provided, however, Landlord agrees that Landlord shall transfer the Security Deposit or the portion thereof remaining (if any) to the Mortgagee or Purchaser at the time that such Mortgagee or Purchaser acquires the interest of Landlord.

Landlord agrees to use reasonable efforts to obtain from the existing Mortgagee on the Property, a Subordination, Non-Disturbance and Attornment Agreement ("SNDA") in the form attached as **Exhibit D** hereto. "Reasonable efforts" of Landlord shall not include payment of money (over mailing expenses) or incurring liability.

#### **ARTICLE 19: DEFAULTS; REMEDIES**

19.1 **Events of Default.** The occurrence of any of the following shall constitute a default of this Lease by Tenant (each an "Event of Default"):

19.1.1 Tenant does not take possession of, or abandons all or any portion of the Premises.

19.1.2 The failure by Tenant to make any payment of Rent or any other payment required to be made by Tenant hereunder, as and when due, provided, however, that an Event of Default shall not occur if Tenant pays such Rent or other payment within five (5) days after the date it is due for the first two (2) times in any calendar year.

19.1.3 Except as otherwise provided in this Lease, the failure by Tenant to observe or perform any of the covenants, conditions or provisions of this Lease to be observed or performed by Tenant, other than described in Section 19.1.1 and 19.1.2 above, where such failure shall continue for a period of twenty-one (21) days after written notice thereof from Landlord to Tenant; provided, however, that if the nature of Tenant's noncompliance is such that more than twenty-one (21) days are reasonably required for its cure, then an Event of Default shall not be deemed to have occurred if Tenant commenced such cure within said twenty-one (21) day period and thereafter diligently prosecutes such cure to completion. If Landlord provides Tenant with notice of Tenant's failure to comply with any particular term, provision or covenant of this Lease on three (3) occasions during any twelve (12) month period, Tenant's subsequent violation of such term, provision or covenant shall, at Landlord's option, be an incurable Event of Default.

19.1.4 (a) The making by Tenant of any arrangement or assignment for the benefit of creditors; (b) Tenant becomes a "debtor" as defined in 11 U.S.C. § 101 or any successor statute thereto (unless, in the case of a petition filed against Tenant, the same is dismissed within sixty [60] days); (c) the appointment of a trustee or receiver to take possession of substantially all of Tenant's assets located at the Premises or of Tenant's interest in this Lease, where possession is not restored to Tenant within thirty (30) days; (d) the attachment, execution or other judicial seizure of substantially all of Tenant's assets located at the Premises or of Tenant's interest in this Lease, where such seizure is not discharged within thirty (30) days or the date of any sooner sale of any of such assets; (e) Tenant shall not pay its debts as they become due; (f) Tenant shall be insolvent; or (g) Tenant shall become subject to any proceeding in bankruptcy or insolvency.

19.1.5 The discovery by Landlord that any financial statement given to Landlord by Tenant, any assignee of Tenant, any subtenant of Tenant, or any successor in interest of Tenant, was materially false or misleading and Tenant was complicit or willful in providing the false or misleading statement.

19.2 **Remedies.** Upon the occurrence of an Event of Default, Landlord shall have the following rights and remedies, in addition to those allowed by Law or in equity, any one or more of which may be exercised:

19.2.1 Landlord may terminate this Lease or, without terminating this Lease, terminate Tenant's right to possession of the Premises as of the date of such default, and thereafter (a) neither Tenant nor any person claiming under or through Tenant shall be entitled to possession of the Premises, and Tenant shall immediately surrender the Premises to Landlord; and (b) Landlord may re-enter the Premises and dispossess Tenant and any other occupants of the Premises by any lawful means and may remove their effects, without prejudice to any other remedy which Landlord may have. If Landlord elects to terminate this Lease instead of terminating only Tenant's right to possession, Tenant shall pay to Landlord the Rent and all other sums payable up to the time of termination of this Lease and, in addition, Landlord shall have the right to recover against Tenant as damages for loss of the bargain, and not as a penalty, the excess (if any), as determined by Landlord, of (i) the then present value of the projected Rent and all other sums payable by Tenant hereunder (as determined by Landlord on the basis of reasonable estimates) that would have accrued for the balance of the Term of this Lease less (ii) the then present value of the fair market value of the Premises for the balance of such term taking into account among other things, the condition of the Premises, market conditions and the period of time the Premises may reasonably remain vacant before Landlord is able to re-lease the same to a suitable replacement tenant, and the Default Damages that Landlord may incur in order to enter into a replacement lease ("**Benefit of the Bargain Damages**"). Notwithstanding anything to the contrary contained in this Lease, if, subsequent to the termination of this Lease and the recovery of damages from Tenant pursuant to this Section 19.2.1, Landlord relets the Premises for an effective rent higher or lower than the effective rent assumed for purposes of calculating Benefit of the Bargain Damages pursuant to this Section 19.2.1, the Benefit of the Bargain Damages shall not be recalculated and Landlord shall be entitled to retain all of the proceeds of such reletting. For purposes of determining present value, Landlord and Tenant shall use a discount rate equal to the Prime Rate.

19.2.2 If Landlord elects to terminate Tenant's right to possession under this Lease, but not to terminate this Lease, Landlord may, relet the Premises (or any part thereof) for the account of Tenant at such rentals and upon such terms and conditions as Landlord shall deem appropriate. If Landlord terminates Tenant's right to possession under this Lease (but does not terminate this Lease), Tenant shall pay to Landlord the rent and all other sums payable up to the time of such termination of Tenant's right to possession under this Lease, and thereafter, Tenant covenants to pay Landlord until the end of the Term of this Lease the equivalent of the amount of all the Rent and all other sums required to be paid by Tenant under this Lease less the net avails of such reletting, if any, during the same period, and the same shall be due and payable by Tenant to Landlord on the dates such Rent and other sums are due under this Lease. Tenant shall also be liable for, and shall pay to Landlord all the Default Damages. To the extent that Landlord receives rents from a reletting of the Premises, such rents shall be applied first to the payment of Default Damages and then to the fulfillment of Tenant's covenants hereunder and, if the proceeds of such reletting exceed the Default Damages and the Rent and other sums due hereunder, all such excess proceeds shall belong to Landlord. No re-entry or repossession, repairs, maintenance, changes, alterations and additions, reletting, appointment of a receiver to protect Landlord's interests hereunder, or any other act or omission by Landlord shall be construed as an election by Landlord to terminate this Lease or Tenant's right to possession, or to accept a surrender of the Premises, nor shall same operate to release Tenant in whole or in part from any of Tenant's obligations

hereunder, unless express written notice of such intention is sent by Landlord to Tenant. Landlord shall not be responsible or liable for the failure to relet all or any part of the Premises or for the failure to collect. Notwithstanding anything to the contrary contained herein, Landlord agrees to make commercially reasonable efforts to mitigate its damages in the event of an Event of Default and Tenant's right to possession of the Premises is terminated under this Section 19, provided, except to the extent required by applicable Laws, Landlord shall have no obligation to relet the Premises before Landlord leases other vacant space in the Building or relet the Premises to any potential tenant who Landlord could reasonably reject as a Transferee pursuant to Article 14 hereof.

19.3 **Default by Landlord.** Tenant shall give Landlord and the Mortgagee(s) of whom Tenant has been notified hold Mortgages on the Property, Building or Premises, notice and reasonable time to cure the alleged default prior to Tenant filing any suit or exercising any remedy available to Tenant for such alleged default.

19.4 **Tenant's Waiver of Rights.** To the fullest extent permitted by applicable Laws, Tenant waives the right to a trial by jury and the right to file any counterclaims or cross-claims other than compulsory counter claims or cross-claims. Tenant waives all rights of redemption or relief from forfeiture under applicable Laws.

19.5 **Cumulative Remedies.** No right or remedy of Landlord shall be exclusive of any other right or remedy. Each right and remedy shall be cumulative and in addition to any other right and remedy now or subsequently available to Landlord at Law or in equity.

## **ARTICLE 20: COVENANT OF QUIET ENJOYMENT**

Landlord covenants that Tenant shall, during the Lease Term, peaceably and quietly have, hold and enjoy the Premises subject to the terms, covenants, conditions, provisions and agreements hereof without interference by any persons lawfully claiming by or through Landlord, subject to all Superior Agreements, to which this Lease may be subject or subordinate from time to time. The foregoing covenant is in lieu of any other covenant express or implied.

## **ARTICLE 21: SECURITY DEPOSIT**

The Security Deposit shall be delivered to Landlord upon the execution of this Lease by Tenant and shall be held by Landlord without liability for interest (unless required by applicable Law) as security for the performance of Tenant's obligations. The Security Deposit is not an advance payment of Rent or a measure of Tenant's liability for damages. Landlord may, from time to time, without prejudice to any other remedy, use all or a portion of the Security Deposit to satisfy past due Rent or to cure any Event of Default. After each application from the Security Deposit, Tenant shall on demand restore the Security Deposit to its original amount. Landlord shall return any unapplied portion of the Security Deposit to Tenant within forty-five (45) days after the latest to occur of: (a) the prompt determination of Tenant's Share of any Tax Excess and Tenant's Share of any Expense Excess for the final year of the Lease Term; (b) the date Tenant surrenders possession of the Premises to Landlord in accordance with this Lease; or (c) the Lease Expiration Date. The covenants in this Section 21 are personal covenants between Landlord and Tenant and not covenants running with the land. In no event will any Mortgagee or any purchaser at a foreclosure sale or sale in lieu of foreclosure be liable to Tenant for the return of the Security Deposit. If Landlord transfers its interest in the Premises, Landlord may assign the Security Deposit to the transferee and, following the assignment, Landlord shall have no further liability for the return of the Security Deposit and Tenant shall look solely to be new landlord for the return of the Security Deposit. Landlord shall not be required to keep the Security Deposit separate from its other accounts. Subject to the remaining terms of this Article 21, and provided Tenant has timely paid all Rent due under this Lease during the first twenty-four (24) full months of the Lease Term, then as of the first day of the twenty-fifth (25th) full month of the Lease Term (the "**Reduction Date**"), Tenant shall have the right to reduce the amount of the Security Deposit so that the new Security Deposit shall equal Sixty Thousand

Five Hundred Fifty-Eight and 96/100 Dollars (\$60,558.96). Notwithstanding anything to the contrary contained herein, if an Event of Default has occurred at any time prior to the Reduction Date, then Tenant shall have no right to reduce the amount of the Security Deposit as described herein.

If Tenant is entitled to a reduction in the Security Deposit, Tenant shall provide Landlord with written notice requesting that the Security Deposit be reduced as provided above (the "**Reduction Notice**"). If Tenant provides Landlord with a Reduction Notice, and Tenant is entitled to reduce the Security Deposit as provided herein, Landlord shall refund the applicable portion of the Security Deposit to Tenant within 45 days after the later to occur of (a) Landlord's receipt of the Reduction Notice, or (b) the Reduction Date.

## ARTICLE 22: SIGNS

**22.1 Signs Generally.** No signs, advertisements or notices shall be painted or affixed to windows, doors or other parts of the Building, except those of such color, size, style and in such places as are first approved in writing by Landlord. No decorations, posters, banners, decorative lights or other items shall be placed in or affixed to or painted on the windows or adjacent to the windows in a location visible from the exterior of the Premises. If used in the Building by Landlord, all tenant identification and suite numbers at the entrance to the Premises and directory signage in the Building shall be installed by Landlord, at its cost and expense, using the standard graphics for the Building. If Landlord approves any signs to be installed by Tenant, such signs (a) shall comply with the requirements of the covenants, conditions and restrictions of record (including the P.U.D. affecting the Property) and the requirements of the City of Rolling Meadows, Illinois, and any other governmental authority with jurisdiction, and (b) shall be removed by Tenant, any damage to the Premises caused by such removal repaired and the Premises restored, at the sole cost and expense of Tenant, upon the expiration or sooner termination of the Lease Term.

**22.2 Entrance Monument Sign.** Subject to all applicable Laws, and the receipt of all required approvals from all applicable governmental authorities (including any approvals required in connection with the P.U.D. affecting the Property) and all third parties having approval rights, and provided Cambium Networks is the Tenant hereunder and occupies at least eighty percent (80%) of the Premises (the "**Signage Occupancy Requirement**"), Landlord shall place Tenant's name (using Building standard colors, design and materials at Landlord's sole discretion) on the existing northeast Building entrance sign (the "**Entrance Monument Sign**"). Tenant's use of the Entrance Monument Sign shall be on a non-exclusive basis with other tenants and occupants of the Building for the entire Term and Landlord may grant other tenants or occupants of the Building rights to use the Entrance Monument Sign. Notwithstanding the foregoing, if the Signage Occupancy Requirement is not met at any time, Landlord may, at Tenant's sole cost and expense, remove Tenant's name from the Entrance Monument Sign, and repair any damage caused by such removal and restore the same to the condition that existed prior to the placement of Tenant's name on such Entrance Monument Sign.

**22.3 Tenant's Sign Panel.** As long as the Signage Occupancy Requirement is met, Tenant shall have the right to have identification signage on a panel of the existing Building monument sign ("**Tenant's Sign Panel**") located on Golf Road. If Tenant elects to place Tenant's Sign Panel on the existing Building monument sign, Tenant shall, within twelve (12) months of full execution of this Lease by both Landlord and Tenant, deliver to Landlord a written notice indicating Tenant's desire to place Tenant's Sign Panel on the Building monument sign. If Tenant fails to deliver such notice within said twelve (12) month period, Tenant shall be deemed to have waived its right to place Tenant's Sign Panel on the Building monument sign. The design, color and size of Tenant's Sign Panel shall comply with Landlord's criteria for the Building monument sign and shall otherwise be subject to Landlord's prior written approval. Landlord shall, at its sole cost and expense, install Tenant's Sign Panel using Landlord's sign contractor. On or before the earlier to occur of the Lease Expiration Date or the date Tenant's right to place a panel on the Building monument sign terminates as a result of Tenant's failure to meet the Signage Occupancy Requirement, Landlord shall, at Tenant's sole cost and expense, remove Tenant's Sign Panel from the

Building monument sign, repair any damage to the Building monument sign caused by such removal and restore the same to the condition that existed prior to Tenant's installation of Tenant's Sign Panel. Landlord, at its sole cost and expense, reserves the right to relocate to a location of similar prominence, from time to time, the Building monument sign. Notwithstanding anything to the contrary contained herein, in the event that the Signage Occupancy Requirement is not met, then Tenant shall have no further right under this Section 22.3 to have a panel on the Building monument sign.

#### **ARTICLE 23: COMPLIANCE WITH LAW**

Tenant shall not do anything or suffer anything to be done in or about the Premises or the Property which will in any way conflict with any applicable Law. At its sole cost and expense, Tenant shall promptly comply with all applicable Laws (including, without limitation, the Americans with Disabilities Act or the Illinois Accessibility Standards as revised on April 24, 1997 [the "ADA"]) affecting the Premises or any part thereof or the use thereof. Notwithstanding the foregoing, except as provided below, Tenant shall have no obligation to comply with any such applicable Laws to the extent the same require Structural Work to the Premises, all of which required Structural Work shall be the obligation of Landlord (except that the foregoing does not in any way relieve Tenant from any responsibility to pay Tenant's Share of the Expense Excess as provided in this Lease), except to the extent that such Structural Work is (a) caused by an act or omission of Tenant, or Tenant's agents, employees or contractors, (b) required as a result of Tenant's specific use of the Premises or the particular configuration of the Alterations within the Premises, (c) necessitated by or to any Alteration to the Premises performed by or at the direction of Tenant, or (d) required of Tenant in its capacity as an employer, in any of which cases such Structural Work shall be performed by Landlord (or, at Landlord's option, by Tenant) at Tenant's sole cost and expense. Notwithstanding the foregoing, Landlord shall have the right to contest any determination that Landlord has violated any Laws or that the Building violates any Laws.

#### **ARTICLE 24: LATE CHARGES**

If Tenant shall fail to make any payment of any installment of Rent or any other sum when due, then Tenant shall pay to Landlord a late charge equal to four percent (4%) of the overdue amount. The late charge shall be deemed Additional Rent and shall not be construed as liquidated damages or as limiting Landlord's remedies in any manner. No late charge or Interest under this Article 24 or Article 25 shall preclude Landlord from exercising any of its rights and remedies available hereunder, or at Law or in equity after any default by Tenant.

#### **ARTICLE 25: LANDLORD'S RIGHT TO CURE DEFAULT; PAYMENTS BY TENANT**

25.1 **Landlord's Cure.** All covenants and agreements to be kept or performed by Tenant under this Lease shall be performed by Tenant at Tenant's sole cost and expense. Notwithstanding anything to the contrary contained herein, if Tenant shall fail to perform any obligation under this Lease in a manner satisfactory to Landlord (including Tenant's obligation to perform repairs or replacements in the Premises), and such failure shall continue for more than twenty-one (21) days after notice from Landlord (provided no notice or cure period shall be required in the event of an Emergency) or in excess of any shorter time period specified in this Lease (if any), Landlord may, but shall not be obligated, to perform such obligations on behalf and at the expense of Tenant without waiving its rights based upon any Event of Default of Tenant and without releasing Tenant from any obligations hereunder.

25.2 **Tenant's Reimbursement.** If (a) Tenant fails to make any payment under this Lease when due and Tenant does not cure such failure within five (5) days after receipt of notice from Landlord, (b) following an Event of Default, Landlord performs or causes the performance of any obligation of Tenant under this Lease that Tenant has failed to perform, or (c) Landlord incurs any costs or expenses as a result of an Event of Default, then Tenant shall pay as Additional Rent, upon demand, the amount due under (a), or the amount of such costs and expenses incurred under (b) or (c) above, plus Interest from the date such payment was due or from the date Landlord incurs such costs or expenses plus Landlord's reasonable administrative costs in connection therewith.



**ARTICLE 26: ENTRY BY LANDLORD**

Landlord, its agents, employees and contractors reserve the right during normal business hours, upon reasonable prior notice to Tenant, which notice may be given orally (except in the case of an Emergency, in which case no prior notice shall be required) to enter the Premises to (a) inspect them; (b) show the Premises to current or prospective purchasers, Mortgagees, insurers, ground lessors or, during the last twelve (12) months of the Lease Term, tenants; (c) post notices of nonresponsibility; or (d) improve, alter, clean, maintain or repair the Premises. Notwithstanding anything to the contrary contained in this Article 26, Landlord, its agents, employees and contractors, may enter the Premises at any time without prior notice to Tenant to (i) perform services required of Landlord, including, without limitation, janitorial service; (ii) access common areas or other areas that serve one or more tenants (other than Tenant) (including, without limitation, any electrical; data or cabling closet [**“IDF Closer”**]) and Tenant shall not block or obstruct access to any such common areas or facilities or equipment (without limiting the foregoing, Tenant shall not block or obstruct access to the fire shutters or IDF Closet located in the Premises); (iii) to improve, alter, clean, maintain or repair the Building, or to make structural and non-structural installations (including, without limitation, installations of cable and wiring), alterations, repairs, replacements, maintenance, inspections or improvements to the Building or the Building Systems and equipment (including, without limitation, to serve or improve other tenants’ premises); and (iv) take possession due to any breach of this Lease in the manner provided herein. Notwithstanding anything to the contrary contained herein, Tenant shall also permit other tenants and such tenant’s agents, employees and contractors to enter the Premises for the purposes set forth in clauses (ii) and (iii) above. Landlord may take such reasonable steps as required to accomplish the stated purposes. If reasonably necessary for the protection and safety of Tenant and its employees, Landlord shall have the right to temporarily close all or a portion of the Premises to perform repairs, alterations and additions. However, except in an Emergency, Landlord will not close the Premises if the work can reasonably be completed on weekends and after Building Hours. In connection with any entry into the Premises, Landlord agrees to use reasonable efforts to minimize interference with Tenant’s operations in the Premises caused by such entry and to minimize the duration of any such interference. Tenant hereby waives any Claims for damages or for any injuries or inconvenience to or interference with Tenant’s business, lost profits, any loss of occupancy or quiet enjoyment of the Premises, and any other loss occasioned by any entry into the Premises pursuant to this Article 26. Landlord shall at all times have a key with which to unlock all the doors in the Premises. In an Emergency, Landlord and its agents, employees and contractors shall have the right to use any means that Landlord may deem reasonable to enter the Premises. Any entry into the Premises by any party that is permitted to so enter pursuant to this Article 26 and work performed by any such party hereunder is hereby consented to by Tenant and shall not be deemed to be a forcible or unlawful entry into, or a detainer of, the Premises, or an actual or constructive eviction of Tenant from any portion of the Premises or entitle Tenant to an abatement of Rent. Notwithstanding the foregoing to the contrary, if Landlord requires Tenant to close the Premises during Building Hours pursuant to this Article 26 for a period of more than seventy-two (72) hours, Tenant shall be entitled to an abatement of Rent, commencing after the expiration of such seventy-two (72) hour period and continuing thereafter during the rest of the period that the Premises are so required to be closed.

**ARTICLE 27: SECURITY**

Landlord shall have no obligation to provide any safety or security devices, services or programs for Tenant or the Property and shall have no liability for failure to provide the same or for inadequacy of any measures provided. However, Landlord may institute or continue such safety or security devices, measures, services and programs as Landlord in its sole discretion deems necessary. The costs and expenses of instituting and maintaining such devices, services and programs shall be borne by Tenant as a part of Operating Expenses, or as a separate, additional charge to Tenant based on Tenant’s Share or such other reasonable factors as Landlord shall determine. The parties acknowledge that safety and

security devices, services and programs provided by Landlord, if any, while intended to deter crime and enhance safety, may not in given instances prevent theft or other injurious acts or ensure safety of parties or property. The risk that any safety or security device, service or program may not be effective, or may malfunction, or be circumvented, is assumed by Tenant with respect to Tenant's property and interests, and Tenant shall obtain insurance coverage to the extent Tenant desires protection against such acts and other losses, beyond that described in Article 10. Tenant shall obtain any and all safety and security devices or programs Tenant shall reasonably require for the protection of the Premises, the Tenant Related Parties and the goods and personal property of Tenant. Tenant shall comply, and shall cause its agents, employees, contractors and invitees to comply, with any safety or security devices, measures, services or programs developed by Landlord or required by Law.

## ARTICLE 28: MISCELLANEOUS PROVISIONS

28.1 **Terms; Captions.** The words "Landlord" and "Tenant" as used herein shall include the plural as well as the singular. The necessary grammatical changes required to make the provisions hereof apply either to corporations or partnerships or individuals, men or women, as the case may require, shall in all cases be assumed as though in each case fully expressed. The captions of Articles and Sections are for convenience only and shall not be deemed to limit, construe, affect or alter the meaning of such Articles and Sections.

28.2 **Binding Effect.** Subject to all other provisions of this Lease, each of the covenants, conditions and provisions of this Lease shall extend to and shall bind or inure to the benefit not only of Landlord and of Tenant, but also of their respective heirs, personal representatives, successors or assigns, provided this clause shall not permit any Transfer by Tenant contrary to the provisions of Article 14 of this Lease.

### 28.3 **Excepted Rights.**

28.3.1 **No Rights.** This Lease does not grant any rights to light or air over or about the Building. Landlord excepts and reserves exclusively to itself the use of: (a) roofs, (b) telephone, electrical and janitorial closets that are used by Landlord in connection with the provision of Building services, (c) equipment rooms, Building risers or similar areas that are used by Landlord for the provision of Building services, (d) rights to the land and improvements below the floor of the Premises, (e) the improvements and air rights above the Premises, (f) the improvements and air rights outside the demising walls of the Premises and above the finished ceilings of the Premises, and (g) the areas within the Premises used for the installation of utility lines and other installations serving occupants of the Building or the Building in general.

28.3.2 **Property or Building Name and Signage.** Landlord shall have the right at any time to change the name of the Building and to install, affix and maintain any and all signs on the exterior and on the interior of the Building as Landlord may, in Landlord's sole discretion, desire. Tenant shall not use the name of the Building or use pictures or illustrations of the Property or Building in advertising or other publicity or for any purpose other than .as the address of the business to be conducted by Tenant in the Premises, without the prior written consent of Landlord

28.3.3 **Subdivision.** Subject to the requirements of Article 28.3, Landlord reserves the right to further subdivide all or a portion of the Property as Landlord deems appropriate.

28.3.4 **Other Improvements.** If portions of the Property or property adjacent to the Property (collectively, the "Other Improvements") are owned by an entity other than Landlord, Landlord, at its option, may enter into an agreement with the owner or owners of any or all of the Other Improvements to provide (a) for reciprocal rights of access and/or use of the Property and the Other Improvements, (b) for the common management, operation, maintenance, improvement and/or repair of all or any portion of the Property and the Other Improvements, (c) for the allocation of a portion of shared

operating expenses and tax expenses for the Property, and (d) for the use or improvement of the Other Improvements and/or the Property in connection with the improvement, construction, and/or excavation of the Other Improvements and/or the Property. Nothing contained herein shall be deemed or construed to limit or otherwise affect Landlord's right to convey all or any portion of the Property or any other of Landlord's rights described in this Lease.

Tenant acknowledges that portions of the Property and/or the Other improvements may be under construction following Tenant's occupancy of the Premises, and that such construction may result in noise, dust, obstruction of access, etc. Tenant hereby waives any and all rent offsets or claims of constructive eviction which may arise in connection with such construction so long as Tenant's business is not materially and adversely impacted and Tenant can operate its business. Such construction by Landlord shall not materially obstruct access to the Premises or the Property.

Landlord reserves the right to close, make alterations or additions to, remove, relocate, reduce, demolish or change the Building, the Property and the Common Areas, or any element thereof, including, without limitation, the right to (a) make changes in the location, size, shape and number of driveways, entrances, parking spaces, parking areas, loading and unloading areas, ingress, egress, direction of traffic, landscaped areas and walkways; (b) to close any of the Common Areas for maintenance and repair purposes so long as reasonable access to the Premises remains available; (c) to add additional improvements to the Common Areas, the Building or the Property, or any part thereof; (d) to use the Common Areas while engaged in making additional improvements, repairs or alterations to the Property, or any portion thereof; (e) to do and perform such other acts and make such other changes, alterations and additions in, to or with respect to the Property, Building and Common Areas as Landlord may deem to be appropriate; and (f) to remove and/or eliminate areas from use as Common Areas and to discontinue services provided for or in the Common Areas; provided, however, that the foregoing shall not materially obstruct access to the Premises. Unless otherwise provided in this Lease, any changes of the type referred to in the preceding sentence may be made by Landlord without notice to Tenant so long as they do not materially obstruct access to the Premises, Tenant's business is not materially and adversely impacted, and Tenant can operate its business.

**28.4 Transfer of Landlord's Interest.** Tenant acknowledges that Landlord has the right to transfer and assign all or any portion of its rights, obligations and interest in the Premises, the Property or Building and in this Lease, and Tenant agrees that in the event of any such transfer, Landlord shall automatically be released from all liability under this Lease not accrued on or prior to the date of the transfer, and Tenant agrees to look solely to such transferee for the performance of Landlord's obligations hereunder for events occurring after the date of transfer and to attorn to such transferee.

**28.5 Prohibition Against Recording.** Neither this Lease, nor any memorandum, affidavit or other writing with respect thereto, shall be recorded by Tenant or by anyone acting through, under or on behalf of Tenant, without Landlord's written consent thereto.

**28.6 Landlord's Title.** Landlord's title is and always shall be paramount to the title of Tenant. Nothing herein contained shall empower Tenant to do any act which can, shall or may encumber the title of Landlord.

**28.7 Relationship of Parties.** Nothing contained in this Lease shall be deemed or construed by the parties hereto or by any third party to create the relationship of principal and agent, partnership, joint venturer or any association between Landlord and Tenant.

**28.8 Time of Essence.** Time is of the essence with respect to the performance of every provision of this Lease.

28.9 **Partial Invalidity.** If any term, provision or condition contained in this Lease shall, to any extent, be invalid or unenforceable, the remainder of this Lease, or the application of such term, provision or condition to persons or circumstances other than those with respect to which it is invalid or unenforceable, shall not be affected thereby, and each and every other term, provision and condition of this Lease shall be valid and enforceable to the fullest extent possible permitted by applicable Law.

28.10 **LANDLORD EXCULPATION. THE LIABILITY OF THE LANDLORD RELATED PARTIES (AND ANY SUCCESSOR LANDLORD) TO TENANT FOR ANY DEFAULT BY LANDLORD UNDER THIS LEASE SHALL BE LIMITED SOLELY AND EXCLUSIVELY TO THE INTEREST OF LANDLORD IN THE PROPERTY. TENANT SHALL LOOK SOLELY TO LANDLORD'S INTEREST IN THE PROPERTY FOR RECOVERY OF ANY JUDGMENT OR AWARD AGAINST LANDLORD. NONE OF THE LANDLORD RELATED PARTIES SHALL HAVE ANY PERSONAL LIABILITY HEREUNDER, AND TENANT HEREBY EXPRESSLY WAIVES AND RELEASES SUCH PERSONAL LIABILITY ON BEHALF OF ITSELF AND ALL PERSONS CLAIMING BY, THROUGH OR UNDER TENANT. NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED HEREIN, NONE OF THE LANDLORD RELATED PARTIES SHALL BE LIABLE UNDER ANY CIRCUMSTANCES FOR INJURY OR DAMAGE TO, OR INTERFERENCE WITH, TENANT'S BUSINESS, INCLUDING, BUT NOT LIMITED TO, LOSS OF PROFITS, LOSS OF RENTS OR OTHER REVENUES, LOSS OF BUSINESS OPPORTUNITY, LOSS OF GOODWILL OR LOSS OF USE, IN EACH CASE, HOWEVER OCCURRING.**

28.11 **Right to Lease.** Subject to the terms of this Lease, including but not limited to Section 5.4, Landlord reserves the absolute right to effect such other tenancies in the Property and to grant to anyone the exclusive right to conduct any business or render any service in or to the Property and its tenants as Landlord, in the exercise of its sole business judgment, shall determine to best promote the interests of the Building or Property. Tenant does not rely on the fact, nor does Landlord represent, that any specific tenant or type or number of tenants shall, during the Lease Term, occupy any space in the Building or Property.

28.12 **Force Majeure.** Any prevention or delay in the performance of any obligation under this Lease (other than any obligation for payment of money or the exercise of an option) due to Force Majeure shall excuse the performance of such party for a period equal to any such prevention or delay and the period of such prevention or delay shall be deemed added to the time herein provided for performance. Landlord and Tenant acknowledge and agree that a Force Majeure event shall not extend the time period for the performance of an obligation for payment of money or extend the time period for the exercise of an option.

28.13 **Notices.** All Notices given or required to be given by either party to the other hereunder or by applicable Law shall be in writing, shall be (a) sent by United States certified or registered mail, postage prepaid, return receipt requested ("**Mail**"), or (b) delivered by a nationally recognized overnight courier. Any Notice from Landlord may be given by Landlord, Landlord's managing agent for the Property or Landlord's attorneys. Any Notice shall delivered to the parties at the addresses set forth below, or to such other place as either party may from time to time designate in a Notice to the other, or to such other places as either party may from time to time designate in a Notice to the other. Any Notice will be deemed given (i) three (3) days after the date it is posted if sent by Mail, or (ii) the date the overnight courier delivery is made. If, upon Landlord's request, or Tenant is required under any separate written agreement between Tenant and a Mortgagee to notify such party of any default by Landlord under this Lease, then Tenant shall give to such Mortgagee written notice of any default by Landlord under this Lease by registered or certified mail. As of the date of this Lease, any Notices to Landlord and Tenant must be delivered to the addresses indicated in Paragraph 12 of the Summary of Basic Lease Information.

28.14 **Joint and Several Tenant.** If there is more than one (1) Tenant, or if Tenant is comprised of more than one (1) party or entity, the obligations imposed upon Tenant under this Lease shall be joint and several obligations of all parties or entities. Notices, payments and agreements given or made by or with one (1) person or entity shall be deemed to have been given or made by, with and to all of them.

28.15 **Authority.** Each individual executing this Lease hereby represents and warrants that Landlord or Tenant, as applicable, is a duly formed and existing entity qualified to do business in the State of Illinois and has full right and authority to execute and deliver this Lease, that each person signing on behalf of Landlord or Tenant, as applicable, is authorized to do so.

28.16 **Attorneys' Fees.** In the event that either Landlord or Tenant should bring suit for the breach of or to enforce any provision of this Lease, or if either party intervenes in any suit in which the other is a party to enforce or protect its interest or rights, then all costs and expenses, including reasonable attorneys' fees, incurred by the prevailing party therein shall be paid by the non-prevailing party, which obligation on the part of the other party shall be deemed to have accrued on the date of the commencement of such action.

28.17 **Governing Law.** This Lease shall be construed and enforced in accordance with the Laws of the State of Illinois. Except as otherwise provided herein, all disputes arising hereunder, and all legal actions and proceedings related thereto, shall be solely and exclusively initiated and maintained in the court with the appropriate jurisdiction located in Cook County, Illinois.

28.18 **Submission of Lease.** Submission of this instrument for examination or signature by Tenant does not constitute a reservation of, option for or option to lease, and it is not effective as a lease or otherwise until execution and delivery by both Landlord and Tenant.

28.19 **Brokers.** Landlord and Tenant hereby warrant to each other that they have had no dealings with any real estate broker or agent in connection with this Lease, excepting only the real estate brokers or agents specified in Section 10 of the Summary (the "**Brokers**"), and that they know of no other real estate broker or agent who is entitled to a commission in connection with this Lease. Landlord agrees to pay a brokerage commission to Tenant's Broker in accordance with a separate written commission agreement between Landlord and Tenant's Broker. Any brokerage commission paid by Landlord to the Tenant's Broker and by Landlord to the Landlord's Broker is referred to herein as the "**Commission**". Each party agrees to indemnify and defend the other party against and hold the other party harmless from any and all Claims with respect to any leasing commission or equivalent compensation alleged to be owing on account of any dealings with any real estate broker or agent, other than the Brokers, occurring by, through, or under the indemnifying party.

28.20 **Independent Covenants.** Tenant's covenant to pay Rent is independent of every other covenant of this Lease and Tenant hereby expressly waives the benefit of any statute to the contrary.

28.21 **Counterparts.** This Lease may be executed in counterparts with the same effect as if both parties hereto had executed the same document, provided that all parties are furnished a copy thereof reflecting the signature of all parties. Both counterparts shall be construed together and shall constitute a single lease.

28.22 **Confidentiality.** It is agreed and understood that Tenant may acknowledge only the existence of this Lease by and between Landlord and Tenant, and that Tenant may not disclose any of the terms and provisions contained in this Lease to any tenant or other occupant in the Building or to any agent, employee, subtenant or assignee of such tenant or occupant. Tenant acknowledges that any breach by Tenant of the agreements set forth in this Section 28.22 shall cause Landlord irreparable harm.

28.23 **Transportation Management.** Tenant shall comply with all present or future programs required by applicable Law (provided Landlord provides Tenant with sufficient prior notice of such program's requirements) which are intended to manage parking, transportation or traffic in and around the Property, and in connection therewith, Tenant shall take responsible action for the transportation, planning and management of all employees located at the Premises by working directly with Landlord, any governmental transportation management organization or any other transportation-related committees or entities.

28.24 **No Violation.** Tenant hereby warrants and represents to Landlord that neither its execution of nor performance under this Lease shall cause Tenant to be in violation of any agreement, instrument, contract, law, rule or regulation by which it is bound, and Tenant shall protect, defend, indemnify and hold Landlord harmless against any Claims arising from its breach of this warranty and representation.

28.25 **Non-Waiver.** No provision of this Lease shall be deemed waived by either party hereto unless expressly waived in a writing signed thereby. The waiver by either party hereto of any breach of any term, covenant or condition herein contained shall not be deemed to be a waiver of any subsequent breach of same or any other term, covenant or condition herein contained.

28.26 **Headcount.** Tenant shall cooperate with Landlord in promptly providing to Landlord, upon Landlord's written request, a headcount of Tenant's personnel from time to time using the Premises.

28.27 **Financial Information.** Tenant, within fifteen (15) days after request but not more than two (2) times in any calendar year, shall provide Landlord with a current financial statement and such other information certified by Tenant as Landlord may reasonably request in order to determine Tenant's ability to fulfill its obligations under this Lease.

28.28 **Survival.** The expiration of the Lease Term, whether by lapse of time or otherwise, shall not relieve either party of any obligations which accrued prior to or which may continue to accrue after the expiration or early termination of this Lease (including, without limitation, each and every obligation to pay Rent and each and every obligation with respect to Hazardous Materials). Without limiting the scope of the prior sentence, it is agreed that Tenant's obligations under Sections 3, 4, 8, 10.1, 12, 15, 16, 19.2, 25.2 and 28.22 shall survive the expiration or early termination of this Lease.

28.29 **Relocation.** Landlord shall not have the right to relocate Tenant from the initial Premises located on the first (Suite 155) and third floors (Suite 360) of the Building or from any contiguous expansion space located on the first and third floors of the Building during the Initial Term or any subsequent Renewal Terms. Notwithstanding the foregoing, with regard to any non-contiguous expansion space in the Building, Landlord, at its expense, at any time before or during the Lease Term, may relocate Tenant from the Premises to reasonably comparable space ("**Relocation Space**") within the Building or adjacent buildings within the same Property upon ninety (90) days' prior written notice to Tenant. From and after the date of the relocation, "**Premises**" shall refer to the Relocation Space into which Tenant has been moved and the Base Rent and Tenant's Share shall be adjusted based on the rentable square footage of the Relocation Space. Landlord shall pay Tenant's actual, reasonable costs for moving Tenant's Property and printing and distributing notices to Tenant's customers of Tenant's change of address and one month's supply of stationery showing the new address.

#### 28.30 **OFAC Certification.**

28.30.1 **Representation and Warranty.** Tenant represents and warrants that:

(a) It is not, and shall not become, a person or entity with whom Landlord is restricted from doing business under regulations of the Office of Foreign Asset Control ("**OFAC**") of the Department of the Treasury (including, but not limited to, those named on OFAC's Specially Designated and Blocked Persons list) or under any statute, executive order (including, without limitation, the September 24, 2001 Executive Order Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten to Commit, or Support Terrorism, as amended [**Executive Order 13224**]), or other governmental action and is not, and shall not, engage in any dealings or transactions or otherwise be associated with such persons or entities; and

(b) It is not acting, directly or indirectly, for or on behalf of any person, group, entity or nation with whom Landlord is restricted from doing business under the regulations of OFAC (including, but not limited to, Executive Order 13224) or other governmental action and is not and shall not engage in any dealings or transactions, employ or otherwise be associated, with such person, group, entity or nation.

28.30.2 **Default.** Tenant shall indemnify, defend and hold harmless the Landlord Related Parties from and against any and all Claims arising from or related to any breach of the foregoing certification. Any breach of the representation and/or warranty contained in this **Section 28.30** shall constitute a non-curable default and is grounds for immediate termination of this Lease by Landlord. Any such exercise by Landlord of its remedies under this **Section 28.30** shall not constitute a waiver by Landlord to recover (a) any Rent due under this Lease and (b) any damages arising from such breach by Tenant.

28.31 **ERISA.** Tenant represents and warrants that:

28.31.1 Neither Tenant nor any of its “affiliates” (within the meaning of Part V(c) of Prohibited Transaction Exemption 84-14, 49 Fed. Reg. 9494 (1984), as amended (“**PTE 84-14**”)) has, or during the immediately preceding year has exercised the authority to:

(a) appoint or terminate Landlord as investment manager over assets of any “employee benefit plan” (as defined in Section 3(3) of the Employee Retirement Income Security Act of 1974, as amended (“**ERISA**”)) invested in, or sponsored by, Landlord; or

(b) negotiate the terms of a management agreement (including renewals or modifications thereof) with Landlord on behalf of any such plan;

28.31.2 To the best of Tenant’s knowledge, Tenant is not “related” to Landlord (as determined under in Part V(h) of PTE 84-14);

28.31.3 Tenant has negotiated and determined the terms of this Lease at arm’s length, as such terms would be negotiated and determined by the Tenant with unrelated parties; and

28.31.4 Tenant is not an “employee benefit plan” as defined in Section 3(3) of ERISA, a “plan” as defined in Section 4975(e)(1) of the Internal Revenue Code of 1986, as amended, or an entity deemed to hold “plan assets” within the meaning of 29 C.F.R. §2510.3-101 of any such employee benefit plan or plan.

28.32 **Option to Terminate.** Tenant, in its sole discretion, may terminate this Lease as of the expiration of the seventy-second (72<sup>nd</sup>) full month of the Term (the “**Early Termination Date**”), by giving Notice to Landlord (the “**Termination Notice**”) not less than twelve (12) months prior to last day of the seventy-second (72<sup>nd</sup>) full month of the Term so long as Cambium Networks, Inc. or an Affiliate is the Tenant hereunder. If Tenant effectively exercises its termination option in accordance with the provisions of this **Section 28.32**, this Lease shall terminate effective as of the Early Termination Date with the same force and effect as if the Early Termination Date was the originally stated expiration date of this Lease. As consideration for such early termination, Tenant shall pay Landlord a termination fee in an amount equal to \$1,327,633.00 (the “**Early Termination Payment**”). The Early Termination Payment must be delivered to Landlord together with the Early Termination Notice. The Early Termination Payment shall be in addition to (and not in lieu of) any sums due and owing to Landlord under this Lease with regard to the period up to and including the Early Termination Date. If Tenant fails to deliver the Early Termination Payment to Landlord together with the Early Termination Notice, Landlord shall have the right to declare the Termination Notice null and void, in which event this Lease shall continue in full force and effect in accordance with its terms, and Tenant’s option to terminate this Lease pursuant to this **Section 28.32** shall be null and void.

### 28.33 Right of First Refusal.

28.33.1 Tenant shall have the one time right of first refusal (the “**Refusal Right**”) with respect to any of the rentable square feet of space on the third floor of the Building that is contiguous to Suite No. 360 (the “**Refusal Space**”), which right of first refusal shall be exercised as follows: when Landlord has a prospective tenant (excluding any existing occupant of the Refusal Space) (“**Prospect**”) interested in leasing the Refusal Space, Landlord shall advise Tenant (the “**Advice**”) of the terms under which Landlord is prepared to lease the Refusal Space to such Prospect and Tenant may lease the Refusal Space, under such terms, by providing Landlord with written notice of exercise (“**Notice of Exercise**”) within five (5) Business Days after the date of the Advice, except that Tenant shall have no such Refusal Right and Landlord need not provide Tenant with an Advice if:

- (a) An Event of Default shall not have occurred prior to delivery of the Advice; or
- (b) more than twenty percent (20%) of the Premises is sublet at the time Landlord would otherwise deliver the Advice; or
- (c) this Lease has been assigned, other than to Permitted Transferee, prior to the date Landlord would otherwise deliver the Advice; or
- (d) the Refusal Space is not intended for the exclusive use of Tenant during the Initial Term; or
- (e) Tenant is not occupying the Premises on the date Landlord would otherwise deliver the Advice.

28.33.2 The term for the Refusal Space shall commence upon the commencement date stated in the Advice (which shall be no earlier than ninety [90] days following delivery of the Refusal Space to Tenant) and thereupon such Refusal Space shall be considered a part of the Premises, provided that all of the terms stated in the Advice (including, without limitation, the expiration date set forth in the Advice) shall govern Tenant’s leasing of the Refusal Space and, only to the extent that they do not conflict with the Advice, the terms and conditions of this Lease shall apply to the Refusal Space. The Refusal Space (including improvements and personalty, if any) shall be accepted by Tenant in its condition and as-built configuration existing on the earlier of the date Tenant takes possession of the Refusal Space or the date the term for such Refusal Space commences, unless the Advice specifies work to be performed by Landlord in the Refusal Space, in which case Landlord shall perform such work in the Refusal Space.

28.33.3 The rights of Tenant hereunder with respect to the Refusal Space shall terminate on the earlier to occur of (i) Tenant’s failure to deliver to Landlord a Notice of Exercise within the 5-Business Day period provided in Section 28.33.1 above, and (ii) the date Landlord would have provided Tenant an Advice if Tenant had not been in violation of one or more of the conditions set forth in Section 28.33.1 above.

28.33.4 If Tenant’s rights hereunder with respect to a particular Refusal Space are terminated pursuant to Section 28.33.3, Landlord shall be entitled to lease the Refusal Space to the Prospect without notice to Tenant, except as provided in the next sentence. If Landlord and the Prospect thereafter agree to a lease of the Refusal Space upon terms that are substantially more favorable than the terms set forth in the Advice to Tenant, Tenant shall once again have a Refusal Right with respect to



the Refusal Space and, subject to Section 28.33.3, Landlord shall deliver a new Advice to Tenant reflecting the revised terms of the proposal to the Prospect in accordance with the provisions of Section 28.33.1. For purposes hereof, the terms offered to the Proposed shall be deemed to be substantially more favorable than the terms set forth in the Advice if there is more than a ten percent (10%) reduction in the “bottom line” cost per Rentable Square Footage of the Refusal Space to the Prospect when compared with the “bottom line” cost per Rentable Square Footage under the Advice, considering all of the material economic terms of both deals, respectively, including, without limitation, the length of term, the net rent, any tax or expense escalation or other financial escalation and any financial concessions. If the Prospect thereafter fails to lease the Refusal Space, the Refusal Right shall be reinstated, and, subject to Section 28.33.3 Landlord will be required to give Tenant an Advice in accordance with the provisions of Section 28.33.1 if a new proposal for such Refusal Space is issued or received by Landlord. If Tenant exercises its Refusal Right, Landlord shall prepare an amendment (the “**Refusal Space Amendment**”) adding the Refusal Space to the Premises on the terms set forth in the Advice and reflecting the changes in the Base Rent, Rentable Square Footage of the Premises, Tenant’s Share, the Base Year and other appropriate terms. A copy of the Refusal Space Amendment shall be (i) sent to Tenant within a reasonable time after Landlord’s receipt of the Notice of Exercise, and (ii) executed by Tenant and returned to Landlord within 10 business days thereafter.

28.33.5 Notwithstanding anything to the contrary contained herein, if Tenant exercises its Refusal Right pursuant to the terms contained herein during the first two (2) years of the Initial Term, then notwithstanding the terms contained in the Advice, (a) Landlord shall pay to Tenant the Refusal Space Allowance (hereinafter defined), (b) Landlord shall grant Tenant a Refusal Space Rent Abatement (hereinafter defined), (c) the term for the Refusal Space shall continue until the Lease Expiration Date, (d) Base Rent payable for the portion of the Lease Term that is not covered by the Advice (if the Term set forth in the Advice would result in the Lease Term for the Refusal Space ending prior to the Lease Expiration Date), shall continue to increase annually through the Lease Expiration Date based on the same annual increases set forth in the Advice and (e) no allowances, abatements or other concessions (if any) set forth in the Advice will apply to the Refusal Space. The “**Refusal Space Allowance**” shall mean an amount equal to the unamortized portion of the Refusal Space Full Allowance (hereinafter defined) calculated as of the commencement date of the term for the Refusal Space. For purposes of calculating the unamortized portion of the Refusal Space Full Allowance, the Refusal Space Full Allowance will be amortized over the Initial Term using an interest rate equal to eight percent (8%) per annum. The “**Refusal Space Full Allowance**” shall mean an amount equal to \$46.00 per rentable Square Footage of the Refusal Space. The “**Refusal Space Rent Abatement**” shall mean an abatement of the Base Rent payable with respect to the Refusal Space for the period commencing on the commencement date of the term for the Refusal Space and continuing for the number of months determined by multiplying 12 times a fraction, the numerator of which is the number of months remaining in the Initial Term (including a percentage representing any partial month) as of the commencement date of the term for the Refusal Space and the denominator of which is 130.

28.33.6 Notwithstanding anything herein to the contrary, Tenant’s Refusal Right is subject and subordinate to (i) the renewal or extension rights of any tenant leasing all or any portion of the Refusal Space, and (ii) the expansion rights (whether such rights are designated as a right of first offer, right of first refusal, expansion option or otherwise) of any tenant of the Building existing on the date hereof.

28.34 **Tenant Financing.** Landlord hereby waives any contractual, statutory or other Landlord’s lien on Tenant’s furniture, fixtures, supplies, equipment, inventory and any of Tenant’s other personal property located at the Premises.

## ARTICLE 29: MISCELLANEOUS DEFINITIONS

The following terms shall have the following definitions:

29.1 **Additional Rent.** Additional Rent shall mean any and all amounts payable by Tenant to Landlord pursuant to the terms, covenants and conditions of this Lease, other than Base Rent.

29.2 **Alterations.** Alterations shall mean all present and future improvements, alterations or additions made to the Premises by either party, including, without limitation, all equipment, non-trade fixtures, light fixtures, pipes, ducts, conduits, wiring, paneling, partitions, floors, floor and wall coverings, mechanical, plumbing or HVAC facilities or systems and similar items.

29.3 **Ancillary Facilities.** Ancillary Facilities shall mean the ancillary conference rooms and multi-purpose room described in Section 1.6.1.

29.4 **Base Building.** Base Building shall mean the Building Structure, and the public restrooms and the systems and equipment located in the internal core of the Building on the floor or floors on which the Premises are located.

29.5 **Building Hours.** Building Hours (a) for services shall mean 8:00 a.m. to 6:00 p.m., Monday through Friday, and from 8:00 a.m. through 1:00 p.m. on Saturdays (but excluding Holidays), and (b) for visitors to the Building shall mean 8:00 a.m. through 5:00 p.m., Monday through Friday (excluding Holidays).

29.6 **Building Structure.** Building Structure shall mean structural portions of the Building, including the foundation, floor slabs, roof structure, exterior walls, and other structural elements of the Building, as well as all underground utility structures.

29.7 **Building Systems.** Building Systems shall mean the plumbing, sprinkler systems, mechanical, electrical, life safety systems (including, without limitation, the fire shutters within tenant spaces) and the HVAC systems serving the Building in general.

29.8 **Claim(s).** Claim(s) shall mean claims, demands, losses, obligations, liabilities, conditions, liens, damages, penalties, causes of action, costs and expenses, including reasonable attorneys' fees, of whatever nature, at law, in equity or otherwise, whether accrued or unaccrued, known or unknown, suspected or unsuspected, asserted by any person or entity, private or governmental, or whether based on any subsequently enacted or revised or amended applicable Laws.

29.9 **Common Areas.** Common Areas shall mean those portions of the Building and the Property which are provided, from time to time, for non-exclusive use in common by Landlord, Tenant and any other tenants of the Property (such areas, including, without limitation, parking areas, access roads and sidewalks on the Property and common facilities within the Building such as lobbies, corridors, stairwells, elevators and restrooms).

29.10 **Comparable Buildings.** Comparable Buildings shall mean buildings which are comparable to the Building in terms of age, quality of construction, level of service and amenities, size and appearance and located in the area of the Northwest Suburban office market of Chicago, as reasonably determined by Landlord.

29.11 **Control.** Control shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a person or entity, whether by ownership of voting securities, by contract or otherwise.

29.12 **Default Damages.** Default Damages shall mean all loss or damage which Landlord may sustain by reason of an Event of Default, which shall include, without limitation, expenses Landlord incurred in recovering possession of the Premises, expenses of putting the Premises in good order and condition, preparing the Premises for reletting, demolition, repairs, tenant finish improvements, value of other concessions or allowances granted to a new tenant, and brokers' and attorneys' fees.

29.13 **Emergency.** Emergency shall mean any threat of immediate material damage to persons and property.

29.14 **Environmental Laws.** Environmental Laws shall mean all federal, state, local and quasi-governmental laws (whether under common law, statute or otherwise), ordinances, decrees, codes, rulings, awards, rules, regulations and guidance documents now or hereafter be enacted or promulgated as amended from time to time, in any way relating to or regulating Hazardous Materials.

29.15 **Expense Year.** Expense Year shall mean each calendar year in which any portion of the Lease Term falls, through and including the calendar year in which the Lease Term expires, provided that Landlord, upon notice to Tenant, may change the Expense Year for either Operating Expenses or Tax Expenses, or both, from time to time to any other twelve (12) consecutive month period, and, in the event of any such change, Tenant's Share of the Expense Excess and/or Tenant's Share of the Tax Excess shall be equitably adjusted for any Expense Year involved in any such change.

29.16 **Force Majeure.** Force Majeure shall mean strikes, labor troubles, acts of God, inability to obtain labor or materials, governmental actions, civil commotions, fire or other casualty, and other causes beyond the reasonable control of the party obligated to perform, except with respect to the obligations imposed with regard to Rent and other charges to be paid by Tenant pursuant to this Lease or any period of time for the written exercise of an option or right.

29.17 **Hazardous Material(s).** Hazardous Material(s) shall mean any substance or material that is described as a toxic or hazardous substance, waste, material, pollutant, contaminant or infectious waste, or any matter that in certain specified quantities would be injurious to the public health or welfare, or words of similar import, in any of the Environmental Laws, or any other words which are intended to define, list or classify substances by reason of deleterious properties such as ignitability, corrosivity, reactivity, carcinogenicity, toxicity or reproductive toxicity and includes, without limitation, asbestos, petroleum (including crude oil or any fraction thereof, natural gas, natural gas liquids, liquefied natural gas, or synthetic gas usable for fuel, or any mixture thereof), petroleum products, polychlorinated biphenyls, urea formaldehyde, radon gas, radioactive matter, medical waste, and chemicals which may cause cancer or reproductive toxicity.

29.18 **Holiday.** Holiday shall mean New Year's Day, Presidents' Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, day after Thanksgiving Day and Christmas Day. Landlord may designate additional Holidays, provided that the additional Holidays are commonly recognized by other office buildings in the area in which the Building is located.

29.19 **Interest.** interest shall mean an annual interest rate equal to the Prime Rate plus two percent (2%); provided, however, in no event shall such annual interest rate exceed the highest annual interest rate permitted by applicable Law.

29.20 **Labor Dispute.** Labor Dispute shall mean any action which would cause any work stoppage, picketing, labor disruption or dispute, or any interference with the business or the rights and privileges of Landlord or any other tenant, occupant or other person lawfully in the Building.

29.21 **Landlord Related Parties.** Landlord Related Parties shall mean Landlord, its trustees, members, shareholders, successors, affiliates, principals, beneficiaries, partners, officers, directors, employees, Mortgagees and agents.

29.22 **Law(s)**. Law(s) shall mean all federal, state, county and local governmental and municipal laws, statutes, ordinances, decrees, codes, common laws, judgments, orders, rulings, awards, rules, regulations or requirements now in force or which may hereafter be enacted or promulgated, including any Environmental Laws.

29.23 **Lease Year**. Lease Year shall mean a period of twelve (12) consecutive calendar months, the first Lease Year commencing on the Lease Commencement Date, if the Lease Commencement Date is the first day of a calendar month, and otherwise on the first day of the first full calendar month following the Lease Commencement Date. Each succeeding Lease Year shall commence on the anniversary date of the first Lease Year. Any portion of the Lease Term which is less than a Lease Year shall be deemed a Partial Lease Year, except that if the Lease Commencement Date occurs on a date other than the first day of a calendar month, then the period commencing on the Lease Commencement Date and ending on the last day of the calendar month in which the Lease Commencement Date occurs shall be included in the first Lease Year.

29.24 **Loading Dock Hours**. Loading Dock Hours shall mean the hours of 8:00 a.m. and 5:00 p.m., Monday through Friday, excluding Holidays.

29.25 **Minor Alterations**. Minor Alterations shall mean alterations (a) of a cosmetic nature, consisting of painting, carpeting and wall papering of the Premises, (b) not visible from the exterior of the Premises or the Building, (c) that will not affect the Building Systems or Building Structure, and (d) that do not require work to be performed inside the walls or above the ceiling of the Premises.

29.26 **Mortgage**. Mortgage shall mean (a) all present and future ground or underlying leases involving all or any part of the Premises, Building or Property and (b) all mortgages, deeds of trust or other security agreements or encumbrances now or hereafter in force affecting the Premises, Building or Property or any part thereof, if any, and (c) all renewals, extensions, modifications, consolidations and replacements or participations in those transactions evidenced by the documents described in the immediately preceding clauses (a) and (b), whether the same shall be in existence on the date hereof or created hereafter.

29.27 **Mortgagee**. Mortgagee shall mean any person having the benefit of a Mortgage.

29.28 **Notices**. Notices shall mean notices, demands, requests, consents, approvals or other communications.

29.29 **Prime Rate**. Prime Rate shall mean the prime rate stated under the column "Money Rates" in The Wall Street Journal as the same is published from time to time.

29.30 **Rent**. Rent shall mean the Base Rent and Additional Rent.

29.31 **Required Removables**. Required Removables shall mean any electronic, phone and data cabling, wiring and related equipment, internal stairways, raised floors, personal baths and showers, vaults, rolling file systems and structural alterations and modifications of any type and any other Alterations that are performed by or for the benefit of Tenant and, in Landlord's reasonable judgment, are of a nature that would require removal and repair costs that are materially in excess of the removal and repair costs associated with standard office improvements. In addition, at Landlord's sole election, the Required Removables may include any and all Alterations made by Tenant as part of Tenant's Initial Alterations or any subsequent Alterations. Upon the written request of Tenant (which may be at the time Tenant submits plans for any such Alterations), Landlord shall identify those portions of the Initial Alterations or subsequent Alterations that Landlord will deem Required Removables.

29.32 **Structural Work**. Structural Work shall mean structural alterations or structural repairs.

29.33 **Superior Agreements.** Superior Agreements shall mean all Mortgages, reciprocal easement agreements, declarations, covenants, conditions, restrictions, easements, rights-of-way and other matters of record, as the same may be modified, amended and supplemented from time to time.

29.34 **Tenant's Property.** Tenant's Property shall mean movable items of furniture, equipment, business and trade fixtures, free-standing cabinet work, movable partitions and other articles of personal property owned by Tenant or installed or placed by Tenant in the Premises and is not permanently affixed to the Premises, other than Landlord's FF&E.

29.35 **Tenant Related Parties.** Tenant Related Parties shall mean Tenant, its assignees, concessionaries, agents, contractors, employees and invitees.

29.36 **Transfer.** Transfer shall mean any assignment, subletting, mortgage, pledge, hypothecation or encumbrance of all or any of Tenant's interest in this Lease or in the Premises, whether for collateral purposes or otherwise.

29.37 **Transfer Premium.** Transfer Premium shall mean all rent, additional rent or other consideration payable by such Transferee in connection with the Transfer in excess of the Rent and Additional Rent payable by Tenant under this Lease for the portion of the Premises and Term covered by the Transfer, after deducting all reasonable and customary expenses directly incurred by Tenant attributable to the Transfer (other than Landlord's review fee) including any reasonable marketing fees, brokerage commissions, reasonable attorneys' fees and construction costs.

29.38 **Transferee.** Transferee shall mean any person to whom any Transfer is made or sought to be made.

### **ARTICLE 30: ENTIRE AGREEMENT**

No representations, understandings, agreements, warranties or promises with respect to the Premises to the Building or the Property or rents, expenses, services, tenancies or operations have been made or relied upon in the making of this Lease, other than those specifically set forth herein. This Lease cannot be modified, deleted or added to except in writing signed by the parties herein. This Lease, including the following exhibits, which are hereby incorporated into and made a part of this Lease, constitutes the parties' entire agreement with respect to the leasing of the Premises and supersedes and cancels any and all previous negotiations, arrangements, brochures, agreements and understandings, if any, between the parties hereto, and none thereof shall be used to interpret or construe this Lease: Exhibit A (Lease Plan); **Exhibit A-1** (Roof Equipment Area and Exterior Equipment Area); **Exhibit B** (Rules and Regulations); **Exhibit C** (Work Letter); **Exhibit D** (Form of Subordination, Non-Disturbance and Attornment Agreement); and **Exhibit E** (Intentionally Omitted).

IN WITNESS WHEREOF, Landlord and Tenant have caused this Lease to be executed the day and date first above written.

**LANDLORD:**

ATRIUM A 3800 GOLF LLC,  
a Delaware limited liability company

By: /s/ John S. Grassi

Name: John S. Grassi

Title: President

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**TENANT:**

CAMBIUM NETWORKS, INC., a Delaware corporation

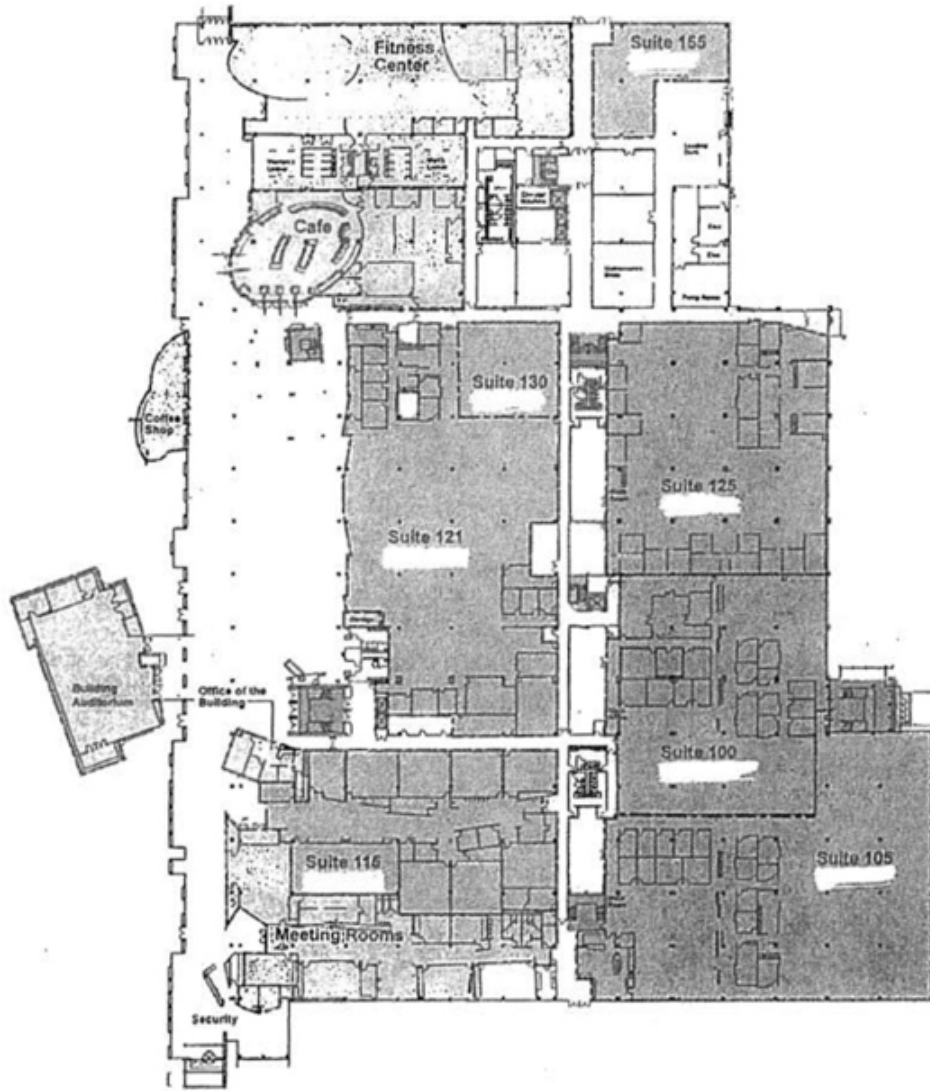
By: /s/ Robert S. Amen

Name: Robert S. Amen

Title: Director

**EXHIBIT A**

**LEASE PLAN**



- Graphic Key**
-  Amenity Spaces
  -  Vertical Penetration
  -  Rentable
  -  Common Areas



**First Floor Plan**  
Atrium Corporate Center

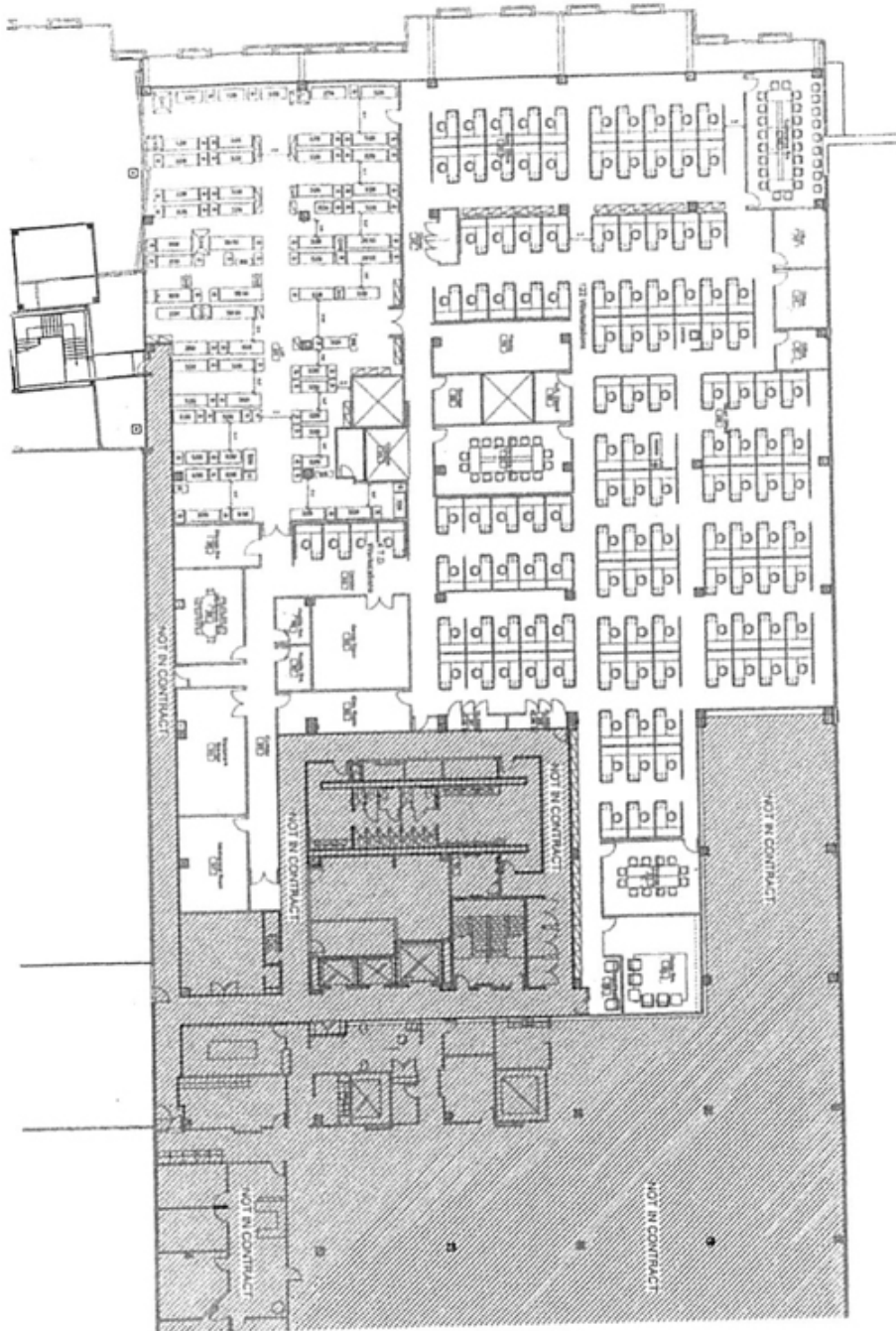


EXHIBIT A  
Page 2



EXHIBIT B

**RULES AND REGULATIONS**

The following rules and regulations (collectively, the “**Rules**”) shall apply, where applicable, to the Premises, the Building, the parking areas, the Property and the appurtenances thereto (as used herein, the term “**Tenant**” shall refer to, as applicable, Tenant and its employees, suppliers, shippers, customers or invitees):

1. Sidewalks, doorways, vestibules, halls, stairways and other similar areas shall not be obstructed by the Tenant Related Parties or used by the Tenant Related Parties for any purpose other than ingress and egress to and from the Premises. No rubbish, litter, trash, or material of any nature shall be placed, emptied, or thrown in those areas. At no time shall Tenant permit the Tenant Related Parties to loiter in Common Areas or elsewhere in or about the Building or Property.
2. Any tenant or vendor sponsored activity or event in Common Area must be approved and scheduled through Landlord’s representative.
3. Plumbing fixtures and appliances shall be used only for the purposes for which designed, and no sweepings, rubbish, rags or other unsuitable material shall be thrown or placed therein. Tenant shall pay for damage resulting to any such fixtures or appliances by the Tenant Related Parties and Landlord shall not in any case be responsible therefor.
4. None of the Tenant Related Parties shall store, display, sell, distribute or use alcoholic beverages (without Landlord’s prior written consent), illegal drugs or other illegal substances in the Premises, Building or the Property nor will any person under the influence of the same be permitted in the Building.
5. No firearms or other weapons are permitted in the Premises, Building or the Property. No fighting or “horseplay” will be tolerated at any time in the Building.
6. Fire protection and prevention practices implemented by Landlord from time to time, including, without limitation, participation in fire drills, shall be observed by Tenant at all times.
7. None of the Tenant Related Parties shall operate or disturb any Building equipment, machinery, valves or electrical controls.
8. The work of cleaning personnel shall not be hindered by the Tenant Related Parties after 5:30 P.M., and cleaning work may be done at any time when the offices are vacant. Windows, doors and fixtures may be cleaned at any time. Tenant shall provide adequate waste and rubbish receptacles to prevent unreasonable hardship to the cleaning service.
9. No nails, hooks or screws shall be inserted into any part of the Premises, Building or Property except by the Building maintenance personnel.
10. Landlord shall have the power to approve the weight, size and position of safes and other heavy equipment or items. All damage to the Premises, Building or Property by the installation, maintenance, operation, existence or removal of any property of Tenant shall be repaired at the expense of Tenant.
11. No animals, except those assisting handicapped persons, shall be brought into or kept in, on or about the Premises, Building or Property.

12. Landlord shall have the right to prohibit the use of the name of the Building or any other publicity by Tenant that in Landlord's opinion may tend to impair the reputation of the Building or its desirability for Landlord or other tenants. Upon written notice from Landlord, Tenant will refrain from and/or discontinue such publicity immediately.
13. Smoking and discarding of smoking materials are prohibited in, on or about the Premises, Building and Property, other than in designated exterior locations only. No smoking is permitted outside the building entrances. Tenant will instruct and notify the Tenant Related Parties of such policy. Landlord shall have the right to designate the Building (including the Premises) as a non-smoking building.
14. No awnings or other Projections shall be attached to the outside walls (building perimeter) of the Building. No curtains, blinds, shades, or screens shall be attached to or hung in, or used in connection with, any window or door of the Premises, without the prior written consent of Landlord, in Landlord's sole discretion. Window coverings must be Building Standard.
15. Tenant shall reasonably cooperate with the Landlord to conserve energy. Before closing and leaving the Premises at any time, Tenant shall exercise reasonable efforts to minimize energy use by turning off lights and equipment not in use.
16. Deliveries to and from the Premises shall be made only at the times, in the areas and through the entrances and exits designated by Landlord. Tenant shall not make deliveries to or from the Premises in a manner that might interfere with the use by any other tenant of its premises or of the Common Areas, any pedestrian use, or any use which is inconsistent with good business practice. There shall not be used in any space, or in the public halls of the Building, either by any Tenant or by delivery personnel or others, in the delivery or receipt of merchandise, any hand trucks, except those equipped with rubber tires and sole guards.
17. None of the Tenant Related Parties shall use (or permit the use of) the Premises for housing, lodging or sleeping purposes.
18. None of the Tenant Related Parties shall make or permit any noise, vibration or odor to emanate from the Premises, use or occupy the Premises in any manner or for any purpose which would injure the reputation or impair the present or future value of the Premises, Building or the Property.
19. Tenant shall provide Landlord in writing the names and contact information of two (2) representatives authorized by the Tenant to request Landlord services, either billable or non billable and to act as a liaison for matters related to the Premises. Only those two (2) designated representatives shall be authorized to request Landlord services on behalf of Tenant.
20. Tenant shall not place any lock(s) on any door in the Premises or Building without Landlord's prior written consent and Landlord shall have the right to retain at all times and to use keys to all locks within and into the Premises. A reasonable number of keys to the locks on the entry doors in the Premises shall be furnished by Landlord to Tenant at Tenant's cost, and Tenant shall not make any duplicate keys. All keys shall be returned to Landlord at the expiration or early termination of this Lease.
21. Bicycles and other vehicles are not permitted inside the Building or on the walkways outside the Building, except in those areas specifically designated by Landlord for such purposes.

22. Landlord may from time to time adopt systems and procedures for the security or safety of the Building, its occupants, entry, use and contents. The Tenant Related Parties shall comply with Landlord's reasonable requirements relative thereto.
23. Canvassing, soliciting, distributing or peddling business, handbills, promotional materials or other advertising in or about any part of the Building or the Property, and conference rooms (if rented by Tenant) and fitness center (members only) is prohibited.
24. The Tenant Related Parties are limited to the Premises and the Common Areas, and may not enter other areas of the Building or Property.
25. The Tenant Related Parties shall not install, operate or maintain in the Premises or in any other area of the Building, any electrical equipment which does not bear the U/L (Underwriters Laboratories) seal of approval, or which would overload the electrical system or any part thereof beyond its capacity for proper, efficient and safe operation as determined solely by Landlord. The Tenant Related Parties shall not operate personal electronic devices for individual use such as coffeepots, toasters, refrigerators, microwave ovens, space heaters, etc., without Landlord's prior written approval. Tenant shall not furnish cooling or heating to the Premises, including, without limitation, the use of electronic or gas heating devices, without Landlord's prior written consent. Tenant shall not use more than its proportionate share of telephone lines and other telecommunication facilities available to service the Building.
26. Tenant shall not operate or permit to be operated a coin or token operated vending machine or similar device (including, without limitation, telephones, lockers, toilets, scales, amusement devices and machines for sale of cigarettes and other goods), except that Tenant may operate vending machines only for the sale of beverages, foods, and candy in the Premises for use by its employees and guests.
27. The Tenant Related Parties shall not remove food service property from the café including trays, dishes, glasses, cups or utensils.
28. Movement in or out of the Building of furniture or office equipment, or dispatch or receipt by Tenant of merchandise or materials requiring the use of elevators, stairways, lobby areas or loading dock areas, shall be restricted to hours designated by Landlord. Tenant shall obtain Landlord's prior approval, which shall not be unreasonably withheld or delayed, by providing a detailed listing of the activity. If approved by Landlord, the activity shall be under the supervision of Landlord, at no cost to Tenant (unless Landlord incurs out-of-pocket costs with such supervision, which costs shall be payable by Tenant), and performed in the reasonable manner required by Landlord. Tenant shall assume all risk for damage to articles moved and injury to any persons resulting from the activity. If equipment, property, or personnel of Landlord or of any other party is damaged or injured as a result of or in connection with the activity, Tenant shall be solely liable for any resulting damage or loss.
29. During the Lease Term, Tenant shall have the non-exclusive right to use, on an unreserved and unassigned basis, those portions of the Common Areas designated by Landlord for non-reserved parking; provided, however, Tenant shall have no right to use reserved spaces, if any. Except for spaces and areas designated by Landlord for reserved parking, all parking in the parking areas serving the Property shall be on an unreserved, first-come, first-served basis. All parking spaces shall be used only for vehicles no larger than full size passenger automobiles or pick-up trucks. Except as caused by the gross negligence or willful misconduct of Landlord and without limiting the terms of the preceding sentence, the Landlord Related Parties shall not be liable for any loss, injury or damage to persons using the parking areas or automobiles or other property therein, it being agreed that, to the fullest extent permitted by applicable Law, the use of the parking spaces

shall be at the sole risk of Tenant and its employees. Landlord shall have the right from time to time to allocate parking spaces among the tenants in the Property, to designate the location of the parking spaces and to promulgate reasonable rules and regulations regarding the parking areas, the parking spaces and the use thereof, including, but not limited to, rules and regulations controlling the flow of traffic to and from various parking areas, the angle and direction of parking and the like. Tenant shall comply with and cause its employees, agents and invitees to comply with all such rules and regulations as well as all reasonable additions and amendments thereto. Tenant shall not permit or allow any vehicles that belong to or are controlled by Tenant or Tenant's employees, suppliers, shippers, customers, or invitees to be loaded, unloaded, or parked in areas other than those designated by Landlord for such activities. Tenant shall not permit overnight parking or storage of vehicles in the Common Areas without receiving Landlord's prior consent as described below. Except for emergency repairs, Tenant and its employees, agents and invitees shall not perform any work on any automobiles while located in the parking areas or on the Property. If it is necessary for Tenant or its employees, agents and invitees to leave an automobile in the parking areas overnight, Tenant shall provide Landlord with prior notice thereof designating the license plate number and model of such automobile. If Tenant permits or allows any violations of this Section 27, then Landlord shall have the right, without notice, in addition to such other reasonable rights and remedies that it may have, to remove or tow away any vehicle(s) involved and charge the cost thereof to Tenant, which costs shall be immediately payable upon demand by Landlord as Additional Rent. Landlord shall have the right to temporarily close all or any portion of the parking areas in order to perform necessary repairs, replacements, maintenance and improvements to the parking areas. In no event shall Landlord be required, or Tenant permitted, to police and enforce the use of Tenant's parking rights against third parties.

30. None of the Tenant Related Parties shall cook in the Premises, but Tenant may maintain and use microwave ovens and equipment for brewing coffee, tea, hot chocolate and similar beverages; provided that Tenant shall (i) prevent the emission of any food or cooking odor from leaving the Premises, (ii) be solely responsible for cleaning the areas where such equipment is located and removing food-related waste from the Premises and the Property, or shall pay Landlord's standard rate for such service as an addition to cleaning services ordinarily provided, (iii) maintain and use such areas solely for Tenant's employees and business invitees, not as public facilities, and (iv) keep the Premises free of vermin and other pest infestation and shall exterminate, as needed, in a manner and through contractors reasonably approved by Landlord, preventing any emission of odors, due to extermination, from leaving the Premises.
31. Tenant's employees and on-site contractors shall be issued an access card/identification badge (ID), which provides a visual reference that authorizes Tenant, its employees and contractors to be within the facilities and serves as a "key" that allows access to card reader controlled doors. The access card will ONLY act as a key on doors that Tenant has been give permission by Landlord to use. Tenant shall cause its employees and on-site contractors to avoid excess bending or abuse of the card. Tenant shall not allow others to use its card(s) and Tenant shall always ensure its employees and contractors keep the card(s) visibly displayed while on the Property. Tenant shall not "prop" doors open to bypass the system, nor shall Tenant allow tailgating. A "Tailgater" is an individual without a badge who follows an employee in or out of a door after that employee has used their card to access a door. Tenant shall (and shall cause its employees, agents, contractors and invitees to) ensure that a person who is following Tenant or any other party into secured areas is a legitimate employee wearing an ID badge. If Landlord provides Tenant with any access cards or badges, a fee of Twenty Dollars (\$20.00) will be charged for each badge or access card issued. Upon termination of Lease, all Landlord issued identification badges shall be returned to Landlord. A fee of Fifty Dollars (\$50.00) will be charged for each Landlord issued identification badge that is not returned to Landlord. Tenant must notify Landlord when an employee, visitor or contractor is terminated from the site so their Building access badge may be terminated. Tenant agrees to promptly notify Landlord when access badges are to be deactivated in cases such as termination, non-use, lost badge, stolen, damaged, etc.
32. Tenant shall not permit storage outside the Premises, other than areas defined and approved by Landlord.

EXHIBIT C

**WORK LETTER**

This Exhibit is attached to and made a part of the Lease dated as of January 30, 2012, by and between ATRIUM AT 3800 GOLF LLC, a Delaware limited liability company ("**Landlord**"), and CAMBIUM NETWORKS, INC., a Delaware corporation ("**Tenant**"),

As used in this Work Letter, the "**Premises**" shall be deemed to mean the Premises, as defined in the attached Lease.

**I. Landlord Work.**

A. Landlord shall perform only the following improvements in Suite No. 155 (the "**Landlord Work**"): relocate the existing ductwork in Suite No. 155 to another location in Suite No. 155 as reasonably determined by Landlord after reviewing Tenant's plans for the Initial Alterations. It is agreed that construction of the Landlord Work will be completed at Landlord's sole cost and expense using Building standard methods, materials, and finishes. Landlord shall enter into a direct contract for the Landlord Work with a general contractor selected by Landlord. In addition, Landlord shall have the right to select and/or approve of any subcontractors used in connection with the Landlord Work. Landlord's supervision or performance of any work for or on behalf of Tenant shall not be deemed a representation by Landlord that such work complies with applicable insurance requirements, building codes, ordinances, laws or regulations, or that the improvements constructed will be adequate for Tenant's use, it being agreed that Tenant shall be responsible for all elements of the design of Suite No. 155 (including, without limitation, compliance with law relating to design, functionality of design, the configuration of the premises and the placement of Tenant's furniture, appliances and equipment [including responsibility for all load-bearing issues related to such configuration and placement]).

B. Tenant acknowledges that the Landlord Work may be performed by Landlord in the Premises during Normal Business Hours subsequent to the delivery of possession of the Premises to Tenant. Landlord and Tenant agree to cooperate with each other in order to enable the Landlord Work to be performed in a timely manner and with as little inconvenience to the operation of the construction of the Initial Alterations as is reasonably possible. Landlord and Tenant shall cooperate with each other and cause their contractors to work in harmony during the period that Landlord is performing the Landlord Work and Tenant is performing the Initial Alterations. Notwithstanding anything herein to the contrary, any inconvenience suffered by Tenant during the performance of the Landlord Work shall not subject Landlord to any liability for any loss or damage resulting therefrom or entitle Tenant to any credit, abatement or adjustment of Rent or other sums payable under the Lease.

C. This Exhibit shall not be deemed applicable to any additional space added to the Premises at any time or from time to time, whether by any options under the Lease or otherwise, or to any portion of the original Premises or any additions to the Premises in the event of a renewal or extension of the original Term of the Lease, whether by any options under the Lease or otherwise, unless expressly so provided in the Lease or any amendment or supplement to the Lease.

**II. Alterations and Allowance.**

A. Alterations. Tenant, following the delivery of the Premises by Landlord and the full and final execution and delivery of the Lease/Amendment to which this Exhibit is attached and all prepaid rental and security deposits required under such agreement, shall have the right to perform alterations and improvements in the Premises (the "**Initial Alterations**"). Notwithstanding the foregoing, Tenant and its contractors shall not have the right to perform Initial Alterations in the Premises unless and until Tenant has complied with all of the terms and conditions of Article 8 of the Lease, including, without

limitation, approval by Landlord of the final plans for the Initial Alterations and the contractors to be retained by Tenant to perform such Initial Alterations. Tenant shall be responsible for all elements of the design of Tenant's plans (including, without limitation, compliance with law, functionality of design, the structural integrity of the design, the configuration of the premises and the placement of Tenant's furniture, appliances and equipment), and Landlord's approval of Tenant's plans shall in no event relieve Tenant of the responsibility for such design. Landlord's approval of the contractors to perform the Initial Alterations shall not be unreasonably withheld. The parties agree that Landlord's approval of the general contractor to perform the Initial Alterations shall not be considered to be unreasonably withheld if any such general contractor (i) does not have trade references reasonably acceptable to Landlord, (ii) does not maintain insurance as required pursuant to the terms of this Lease, (iii) does not have the ability to be bonded for the work in an amount of no less than 150% of the total estimated cost of the Initial Alterations, (iv) does not provide current financial statements reasonably acceptable to Landlord, or (v) is not licensed as a contractor in the state/municipality in which the Premises is located. Tenant acknowledges the foregoing is not intended to be an exclusive list of the reasons why Landlord may reasonably withhold its consent to a general contractor.

B. **Allowance**. So long as an Event of Default does not exist, Tenant shall be entitled to receive from Landlord a one-time contribution for the purchase of, and payment for (except as hereinafter provided), all hard costs in connection with the Initial Alterations up to a maximum of One Million Five Hundred Seventy-Three Thousand One Hundred Eight Dollars (\$1,573,108.00) (\$46.00 per Rentable Square Foot of the Premises) (the "**Allowance**"). Notwithstanding anything to the contrary contained herein, Tenant shall have the right to apply a portion of the Allowance not to exceed fifteen percent (15%) of the Allowance to pay for "soft costs" associated with the Initial Alterations, including, without limitation, architectural and design costs, cabling and wiring expenses, the costs of FF&E installed in the Premises, moving expenses in connection with Tenant's move to the Premises, and other reasonable soft costs incurred by Tenant in connection with the Initial Alterations.

C. **Disbursement of Allowance**.

1. **Progress Payments**. Landlord shall disburse funds monthly to pay for Tenant's Initial Alterations during the progress of construction, but not in excess of the Allowance. Provided Landlord receives Tenant's payment application not later than the third day of the month (or the next business day, if the third day of the month is not a business day), then payment shall be made not later than the last day of that calendar month; if the payment application is not received by the third day of the month (or the next business day, if the third day of the month is not a business day), then payment shall be made by the last day of the following calendar month. Each progress payment shall be equal to the costs of construction then payable by Tenant as of the date of request for payment, less the amount of all previous payments made with respect to costs of construction. The construction contract for the Initial Alterations shall provide for retention of 10% on progress payments to Tenant's general contractor until substantial completion of the Initial Alterations and Landlord shall not be required to pay the last 10% of the Allowance (the "**Retainage**") until Tenant has complied with the terms set forth below in Section C.2. Landlord shall not be required to make progress payments unless and until all of the following conditions have been met:

a. For the first progress payment only, a form W-9, Request for Taxpayer Identification Number and Certification (or any substitute form designated by the United States Federal Government);

b. A copy of the general contractor's application for payment has been provided to Landlord in the form of AIA Document G702 and G703;

EXHIBIT C

Page 2

c. The Initial Alterations on account of which such request for disbursement is made has been completed and an Architect's certificate, in standard AIA form, to that effect has been issued and a copy provided to Landlord;

d. No liens on account of such work by Tenant shall have attached to the Premises or any portion of the Building;

e. All requests for payment are for work completed and in place or for materials purchased and securely stored on-site; and

f. The general contractor and all subcontractors, vendors and/or suppliers providing materials and/or labor for the Initial Alterations shall have provided a conditional lien waiver for the work covered by the application and an original, notarized, unconditional, final lien waiver (in the form required by the statutory and local requirements of the jurisdiction in which the Building is located) with respect to the immediately prior progress payment.

2. Final Payment. Landlord shall pay to Tenant the Retainage after the Initial Alterations have been completed and Tenant has delivered to Landlord the following documents in a form and substance acceptable to Landlord: (a) a certificate of occupancy, (b) proof of completion of construction of the Initial Alterations in accordance with the plans and specifications approved by Landlord, (c) paid bills, and (d) Tenant's affidavit, unconditional final lien waivers and sworn statements/affidavits from all contractors, subcontractors, materialmen and all others performing work in the Premises in the form required by the statutory and local requirements of the jurisdiction in which the Building is located. Provided Landlord receives Tenant's payment application not later than the third day of the month (or the next business day, if the third day of the month is not a business day), then payment shall be made not later than the last day of that calendar month; if the payment application is not received by the third day of the month (or the next business day, if the third day of the month is not a business day), then payment of the Retainage shall be made by the last day of the following calendar month. In no event shall payment of the Retainage be made until Tenant has delivered to Landlord all of the documents required herein.

D. **Design Allowance.** Landlord agrees to pay to Tenant's architect the Design Allowance to cover a portion of the costs incurred by Tenant for preparing design and construction drawings for the Initial Alterations. Landlord will pay the Initial Design Allowance to Tenant's architect within thirty (30) days following receipt by Landlord of a request from Tenant to disburse the Design Allowance together with detailed bills and invoices for the preparation of design drawings and space plans for the Initial Alterations. If Tenant needs its architect to revise the space plans for Suite 360, then Landlord will pay the Secondary Design Allowance to Tenant's architect within thirty (30) days following receipt by Landlord of a request from Tenant to disburse the Secondary Design Allowance together with detailed bills and invoices for the revised design drawings and space plans for Suite 360 only for the Initial Alterations.

EXHIBIT C

Page 3

**EXHIBIT D**

**SUBORDINATION, NON-DISTURBANCE AND ATTORNMENT AGREEMENT**

MassMutual Loan No. \_\_\_\_\_

Massachusetts Mutual Life Insurance Company  
1500 Main Street, Suite 2100  
Springfield, Massachusetts, 01115-5189  
Attention: Mortgage Loan Administration  
Real Estate Finance Group

Re: Atrium Corporate Center, 3800 Golf Road, Rolling Meadows, Illinois

The undersigned, Cambium Networks, Inc., a Delaware corporation, ("**Tenant**") understands that Massachusetts Mutual Life Insurance Company ("**Lender**") has made or will be making a loan (the "Loan") to Atrium at 3800 Golf LLC, a Delaware limited liability company ("**Landlord**") secured by a mortgage or deed of trust (the "**Mortgage**") encumbering the real property (the "**Property**") described in **Exhibit A**, attached hereto and made a part hereof. Tenant and Landlord entered into a lease agreement (the "**Lease**") dated \_\_\_\_\_, 2012 by which Tenant leased from Landlord certain premises commonly known as Suite 155 and Suite 360 (collectively, the "**Leased Premises**"), and constituting a portion of the Property. Lessee desires to be able to obtain the advantages of the Lease and occupancy thereunder in the event of foreclosure of the Mortgage and Lender wishes to have Lessee confirm the priority of the Mortgage over the Lease.

NOW, THEREFORE, in consideration of the mutual covenants and conditions set forth herein, the parties hereto agree as follows:

1. Tenant hereby subordinates all of its right, title and interest under the Lease to the lien, operation and effect of the Mortgage and any other mortgages (as the same may be modified and/or extended from time to time) now or hereafter in force against the Property, and to any and all existing and future advances made under such Mortgage and any other mortgages.
2. In the event that Lender becomes the owner of the Property by foreclosure, deed in lieu of foreclosure, or otherwise, Tenant agrees to unconditionally attorn to Lender and to recognize it as the owner of the Property and the Landlord under the Lease. The Lender agrees not to terminate the Lease or disturb or interfere with Tenant's possession of the Leased Premises during the term of the Lease, or any extension or renewal thereof, so long as Tenant is not in default under the Lease beyond applicable notice, grace and cure periods, if any.
3. Lender and any other subsequent owner of the Property, whether through foreclosure, deed in lieu of foreclosure, or any other means, or any other transfer or means after a foreclosure or a deed in lieu of foreclosure (a "**Subsequent Owner**") shall not be:
  - (a) Personally liable under the Lease, its liability being limited solely to its ownership interest in the Property;
  - (b) Liable for any act or omission of any prior landlord, including Landlord;
  - (c) Subject to any offsets or defenses which Tenant might have against any prior landlord, including Landlord;

EXHIBIT D

Page 1



- (d) Bound by any prepayment of rent or deposit, rental security or any other sums deposited with any prior lessor, including Lessor, under the Lease, unless actually received by Lender or Purchaser;
  - (e) Bound by any agreement or modification of the Lease made without Lender's or Subsequent Owner's prior written consent;
  - (f) Bound to commence or complete any construction or to make any contribution toward construction or installation of any improvements upon the Leased Premises or the Property required under the Lease, including, without limitation, for any expansion or rehabilitation of existing improvements thereon; or for the payment of any tenant allowance or incentive, or for restoration of improvements following any casualty not required to be insured under the Lease or for the costs of any restorations in excess of any proceeds recovered under any insurance required to be carried under the Lease; and
  - (g) Bound by any radius restriction or other restriction on competition or use beyond the Property.
4. Lessee certifies to Lender that the Lease is presently in full force and effect with no defaults thereunder by Lessor or by Lessee; the Lease is unmodified except as indicated hereinabove; that the Lease term thereof has commenced and the full rental is now accruing thereunder; that Lessee has accepted possession of the Leased Premises and that any improvements required by the terms of the Lease to be made by Landlord have been completed to the satisfaction of Tenant; that any tenant allowances or other payments to be made by Landlord to Tenant have been paid; that no rent under the Lease has been paid more than thirty (30) days in advance of its due date; that the address for notices to be sent to Tenant is as set forth in the Lease; and that Lessee has no charge, lien, claim or offset under the Lease or otherwise, against rents or other charges due or to become due thereunder.
5. Lessee agrees with Lender that from and after the date hereof, Tenant will not enter into any agreements amending the Lease without Lender's prior written consent and that Lessee will not terminate or seek to terminate the Lease by reason of any act or omission of the Landlord thereunder until Tenant shall have given written notice, by certified mail, return receipt requested, of said act or omission to Lender, which notice shall be addressed to Massachusetts Mutual Life Insurance Company, c/o Babson Capital Management LLC, 1500 Main Street, Suite 2100, Springfield, Massachusetts 01115-5189, Attention: Managing Director, Real Estate Finance Group, with a copy to: Massachusetts Mutual Life Insurance Company, 1500 Main Street, Suite 2800, Massachusetts 01115-5189, Attention: Vice President, Real Estate Law, and for a reasonable period of time shall have elapsed following the giving of such notice, during which period Lender shall have the right, but not the obligation, to remedy such act or omission.
6. Tenant covenants that it will not subordinate its interest in the Lease to any other mortgage or deed of trust without Lender's prior written consent.
7. Tenant agrees to commence paying all rents, revenues and other payments due under the Lease directly to Lender after Lender notifies Tenant that Lender is the owner and holder of the Loan and is invoking Lender's rights under the Loan documents to directly receive from Tenant all rents, revenues and other payments due under the Lease. By making such payments to Lender, Landlord hereby acknowledges and agrees that Tenant shall be deemed to have satisfied all such payment obligations to Landlord under the Lease.

8. This agreement shall inure to the benefit of Lender's affiliates, agents, co-investors, co-lenders and participants, and each of their respective successors and assigns (each a "Lender Party" and collectively, the "Lender Parties").
9. This agreement shall inure to the benefit of and shall be binding upon Tenant, Landlord and Lender, and each of their respective heirs, personal representatives, executors, administrators, successors and assigns. This agreement may not be altered, modified or amended except in writing signed by all of the parties hereto. In the event any one or more of the provisions contained in this agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provisions of this agreement, but this agreement shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein. This agreement shall be governed by and construed according to the laws of the state where the Property is located, with regard for conflicts of laws rules. This agreement may be executed in multiple counterparts, each of which shall constitute an original agreement, and all of which shall together constitute one and the same agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Subordination, Non-Disturbance and Attornment Agreement to be duly executed as of the \_\_\_\_ day of \_\_\_\_\_, 2012.

TENANT:

*CAMBIUM NETWORKS, INC., a Delaware corporation*

By \_\_\_\_\_  
Name:  
Title:

LANDLORD:

*ATRIUM AT 3800 GOLF LLC, a Delaware limited liability company*

By: \_\_\_\_\_  
Name:  
Title:

LENDER:

MASSACHUSETTS MUTUAL LIFE INSURANCE  
COMPANY

By: Cornerstone Real Estate Advisers LLC, its authorized  
agent

By: \_\_\_\_\_  
Name:  
Title:

EXHIBIT D

Page 3



**EXHIBIT A**  
**LEGAL DESCRIPTION**

PARCEL 1:

LOT 1 IN 3800 GOLF ROAD SUBDIVISION OF PART OF FRACTIONAL SECTION 7, TOWNSHIP 41 NORTH, RANGE 11, EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT THEREOF RECORDED JANUARY 31, 1996 AS DOCUMENT 96080514, IN COOK COUNTY, ILLINOIS.

PARCEL 2:

EASEMENT FOR THE BENEFIT OF PARCEL 1 AFORESAID, TO GO UPON LOT 2 IN 3800 GOLF ROAD SUBDIVISION AFORESAID, FOR THE PURPOSE OF PERFORMING WORK OF CONSTRUCTION AND MAINTENANCE OF BERM IF SUCH WORK IS NOT TIMELY PERFORMED BY THE OWNER OF SAID LOT 2, AS GRANTED IN PARAGRAPH 9.4 OF ARTICLE 9 OF THE DECLARATION AND GRANT OF EASEMENTS, COVENANTS AND RESTRICTIONS EXECUTED BY AT&T CORP., A NEW YORK CORPORATION, DATED JANUARY 26, 1996 AND RECORDED FEBRUARY 9, 1996 AS DOCUMENT 96110279, IN COOK COUNTY, ILLINOIS.

COMMON ADDRESS: 3800 GOLF ROAD, ROLLING MEADOWS, ILLINOIS 60008

P.I.N. 08-07-403-019-0000

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**EXHIBIT E**

**INTENTIONALLY OMITTED**

EXHIBIT E

Page 1

**FIRST AMENDMENT**

THIS FIRST AMENDMENT (the "Amendment") is made and entered into as of the 6 day of March, 2012 ("Effective Date"), by and between ATRIUM AT 3800 GOLF LLC, a Delaware limited liability company ("Landlord"), and CAMBIUM NETWORKS, INC., a Delaware corporation ("Tenant").

**RECITALS**

A. Landlord and Tenant are parties to that certain lease dated January 30, 2012 (the "Lease"). Pursuant to the Lease, Landlord has leased to Tenant space containing approximately 34,198 rentable square feet (the "Premises") described as Suite Nos. 155 and 360 on the first and third floors of the building commonly known as Atrium Corporate Center located at 3800 Golf Road, Rolling Meadows, Illinois 60008 (the "Building").

B. Tenant desires to add a supplemental HVAC unit to the rooftop of the Building to service the Premises, and the parties desire to amend the Lease to accommodate the HVAC unit on the following terms and conditions.

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Landlord and Tenant agree as follows:

**WITNESSETH:**

1. **Definitions.** Landlord and Tenant agree that the respective terms as used herein shall, unless the context otherwise requires, have the following meanings:

"Supplemental HVAC Site" means collectively, the Rooftop Site and the Designated Duct Area, each as hereinafter defined.

(i) Rooftop Site: the applicable portions of the roof identified on **Exhibit A** for placement of Tenant's supplemental HVAC unit.

(ii) Designated Duct Area: that portion of the Common Areas in the Building designated by Landlord and identified on **Exhibit B** for placement of Tenant's Supplemental HVAC Equipment (other than HVAC unit) used in connection with Tenant's operation of its HVAC unit on the Rooftop Site. The Rooftop Site and Designated Duct Area shall be included within the definition of Supplemental HVAC Site specifically set forth in this Amendment, and all of Tenant's rights and obligations with respect to the Supplemental HVAC Site shall apply to both the Rooftop Site and the Designated Duct Area.

"Site Manager" means CB Richard Ellis, or its agent, successors or assigns and any subsequent manager of the Building pursuant to a management agreement with Landlord.

"Supplemental HVAC Equipment" means any equipment owned and used by Tenant approved by Landlord for installation, operation and maintenance on the Supplemental HVAC Site and any screening of such equipment required by Landlord.

Landlord and Tenant agree that capitalized terms defined elsewhere in this Amendment shall, unless the context requires otherwise, have the meaning therein given. Any capitalized terms used in this Amendment and not defined shall, unless the context requires otherwise, have the meaning given such term in the Lease.

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 ATRIUM / 12  
 Cambium Networks (Amend) EWM  
 03/01/12

## 2. Supplemental HVAC Right.

(a) Subject to and upon the terms, provisions and conditions contained herein, as long as an Event of Default has not occurred under the Lease and Cambium Networks, Inc. is the Tenant under the Lease, Landlord hereby grants to Tenant, a nonexclusive right to use the Supplemental HVAC Site for the construction, installation, operation, repair, removal, replacement and maintenance, at Tenant's sole cost and expense, of Tenant's Supplemental HVAC Equipment.

(b) Tenant shall use the Supplemental HVAC Site only for the following "Permitted Supplemental HVAC Site Use": constructing, installing, maintaining, repairing, operating, replacing and removing the Supplemental HVAC Equipment on the Rooftop Site and in the Designated Duct Area for purposes of providing supplemental HVAC to the Premises as reasonably necessary for Tenant's business. Tenant shall not allow any third party to use such equipment, whether by sublease, license, occupancy agreement or otherwise.

(c) Subject to Landlord's reasonable rules and regulations regarding access and subject to the occurrence of a casualty or other matters making access impossible or dangerous or requiring temporary limitation of access for safety of persons or preservation of property, including the Building, or requiring temporary limitation of access for repair to and maintenance of the Building, Tenant shall have access to the Supplemental HVAC Site upon notice to Site Manager, during the hours of 8:00 a.m. to 6:00 p.m., Monday through Friday (but excluding Holidays) ("Access Hours"). If Tenant desires to access the Supplemental HVAC Site at any time other than during the Access Hours (and such access is not required as a result of an Emergency Situation [hereinafter defined]), then Tenant may contact the Site Manager and the Site Manager, in its sole direction, may make arrangements for access to the Supplemental HVAC Site other than during Access Hours. If an Emergency Situation arises at any time other than during Access Hours, then Tenant shall notify a building engineer in the same manner instructed by management from time to time for resolution of other problems occurring in the Building after Building Hours. Such building engineer ("Landlord's Representative") shall provide access to the Supplemental HVAC Site as promptly as possible. If Tenant requires access to the Supplemental HVAC Site after Access Hours, Tenant shall pay to Landlord, within ten (10) days after a receipt therefor, the reasonable and actual cost of such after-hours access, including any overtime costs occasioned by the after-hours access. As used herein the term "Emergency Situation" shall mean an event that either poses an imminent threat of substantial injury to persons or poses an imminent threat of material damage to property.

(d) Tenant accepts the Supplemental HVAC Site and the appurtenant right to the use of any other portions of the Building to access the Supplemental HVAC Site in their "as is", "where is" condition and agrees that no representations, promises or warranties, expressed or implied, have been made by Landlord or relied upon by Tenant with respect to the condition of the Supplemental HVAC Site or any other portion of the Building. Tenant acknowledges that Landlord is not obligated to make or pay for any improvements to the Supplemental HVAC Site or the Building, or to make or pay for any replacements, repairs and/or maintenance to the Supplemental HVAC Site or the Building at any time.

(e) Landlord reserves the right to require Tenant to relocate its Supplemental HVAC Equipment upon written notice to Tenant and Tenant agrees to relocate, at Landlord's sole cost and expense, said Supplemental HVAC Equipment within thirty (30) days after notice from Landlord, Notwithstanding the foregoing, if Landlord requires Tenant to relocate its Supplemental HVAC Equipment in order to accommodate roof repair or replacement (which notice may be given at any time and from time to time during the Lease Term) then such relocation shall be at Tenant's sole cost and expense. Upon the expiration of such 30-day period, Tenant shall have no further right to use or occupy the prior location unless Landlord notifies Tenant that Tenant must relocate back to the original location and Tenant will perform such relocation as soon as reasonably practicable after such notice. In the event Landlord exercises its right to cause Tenant to relocate all or a portion of the Supplemental HVAC Equipment pursuant this Section 2(e), Landlord shall use its commercially reasonable efforts to minimize any

NGED005:017095.0519:1876861.4  
ATRIUM / 12  
Cambium Networks (Amend) EWM  
03/01/12

disruption to Tenant's operations as a result thereof. Tenant shall, at Tenant's expense, repair all damage to the Building caused by the installation, maintenance or removal of the Supplemental HVAC Equipment at any such prior rooftop locations.

3. Installation. In no event shall Tenant commence construction or installation of the Supplemental HVAC Equipment prior to Landlord's approval of Tenant's plans and specifications for the installation of the Supplemental HVAC Equipment. Prior to commencing any work, Tenant shall furnish to Landlord the following: (i) a statement of opinion from a reputable and qualified engineer or consultant reasonably satisfactory to Landlord that the proposed plans and specifications for the Supplemental HVAC Equipment are normal and customary for the type of equipment to be installed and that the proposed Supplemental HVAC Equipment can be installed without impairing the structural integrity of the Building or affecting any warranty for the Building's roof and (ii) a written statement from the contractor providing the Building's roof warranty ("Landlord's Roofing Contractor") that the proposed plans and specifications for the Supplemental HVAC Equipment are satisfactory and that the proposed Supplemental HVAC Equipment can be installed without affecting any warranty for the Building's roof. Notwithstanding anything in this Amendment to the contrary, in the event that Landlord's Roofing Contractor will not uphold the Building's roof warranty unless Landlord's Roofing Contractor completes or supervises the installation of the Supplemental HVAC Equipment or Landlord's Roofing Contractor requires that Landlord complete subsequent repair work to the roof that results from Tenant's installation of the Supplemental HVAC Equipment, then Tenant shall hire, at its sole cost and expense, Landlord's Roofing Contractor to complete or supervise the installation of the Supplemental HVAC Equipment and to make any repairs necessary to keep the Building's roof warranty intact. All work in connection with the installation of the Supplemental HVAC Equipment shall be performed in accordance with Section II.A. of **Exhibit C** attached to the Lease.

4. Interference. Tenant shall take all commercially reasonable measures necessary to minimize any interference with or disruption of any other equipment or business of Landlord or any other tenant or occupant of the Building resulting from the operation of its Supplemental HVAC Equipment. If any interference of the type described in this paragraph occurs, Tenant shall eliminate the cause thereof at Tenant's sole cost and expense.

5. Electrical Facilities. Tenant shall pay (i) the cost of installing electrical facilities required to furnish sufficient power for Tenant's Supplemental HVAC Equipment, (ii) for the cost of the installation of any separate meters or submeters required thereby, (iii) the sums charged Landlord by the applicable utility for such service as reflected by such submeter and (iv) if the electricity is metered directly from the utility company, the sums charged by such utility company. Temporary interruption in the power provided by such facilities shall not render Landlord liable in any respect for damages to either person or property nor relieve Tenant from fulfillment of any covenant or agreement hereof. Notwithstanding the foregoing, Landlord shall at all times be able to shut down the electrical service to the Supplemental HVAC Site and Tenant's Supplemental HVAC Equipment in connection with any maintenance operation conducted for the Building. Landlord agrees to make a reasonable effort to schedule any such shutdown outside the Building's normal business day. Landlord also agrees to make a reasonable effort to cooperate with Tenant in obtaining temporary alternate power during scheduled maintenance operations, but shall have no obligation hereunder to provide alternate power from emergency power sources.

6. Operation and Maintenance. Tenant shall operate and maintain the Supplemental HVAC Equipment in good condition and repair, in accordance with all applicable Laws. Tenant shall obtain and maintain a comprehensive service contract directly with a reputable HVAC maintenance company (reasonably acceptable to Landlord) for service of the Supplemental HVAC Equipment not less frequently than quarterly, and Tenant shall provide Landlord with copies of such contracts within thirty (30) days following the written request by Landlord.

7. Removal of Supplemental HVAC Equipment. If Tenant is performing all of its obligations hereunder, Tenant may remove its Supplemental HVAC Equipment at any time on or prior to the

NGED005:017095.0519:1876861.4  
ATRIUM / 12  
Cambium Networks (Amend) EWM  
03/01/12



expiration or earlier termination of the Lease, provided Tenant repairs any damage to the Building (including the Supplemental HVAC Site) caused thereby and restores the Supplemental HVAC Site to its original condition, ordinary wear and tear excepted. If Tenant fails to do so, Landlord may remove the Supplemental HVAC Equipment and store or dispose of it in any manner Landlord deems appropriate without liability to Tenant; Tenant shall reimburse Landlord for all costs incurred by Landlord in connection therewith within ten (10) days after Landlord's request therefor.

8. Fire and Other Casualty. In the event of a fire or other casualty in or on the Supplemental HVAC Site, Tenant shall immediately give notice thereof to Landlord. If the Supplemental HVAC Site shall be partially destroyed by fire or other casualty so as to render the Supplemental HVAC Site unusable, the supplemental HVAC right granted pursuant to this Amendment may be terminated as of the date of such casualty upon written notice by Landlord or Tenant to the other. Nothing herein shall be construed to require Landlord to rebuild the Supplemental HVAC Site, but if Landlord elects not to rebuild and notifies Tenant of such election, the supplemental HVAC right shall terminate as of the date of such casualty.

9. Waiver of Liability. Tenant understands and agrees that all of its Supplemental HVAC Equipment shall be made, installed and maintained at the sole risk of Tenant, and neither Landlord nor any Landlord Related Party shall be liable for any damage thereto, other than resulting from the gross negligence or willful misconduct of such party. Tenant, as a material part of the consideration to Landlord, hereby assumes all risk of and, to the extent permitted by applicable Laws, waives all claims it may have against Landlord and any Landlord Related Parties for any and all losses, costs, including, without limitation, reasonable attorneys' fees, damages, causes of action, penalties, claims and liabilities of any kind whatsoever arising out of Tenant's use of the Supplemental HVAC Site or other portions of the Building for the Supplemental HVAC Equipment or arising out of utility interruptions, power surges, theft, fire, act of God, public enemy, injunction, riot, strike, insurrection, war, court order, requisition or other order of governmental body or authority or other conditions or occurrences in the Building, including but not limited to, any damages or inconvenience which may arise through maintenance, repair or alteration of any part of the Building, or failure to make such repairs. Tenant shall maintain insurance applicable to the Supplemental HVAC Site and the Supplemental HVAC Equipment reasonably satisfactory to Landlord naming the Landlord Related Parties and other designees of Landlord as additional insureds and otherwise in compliance with Section 10.4 of the Lease.

10. Indemnity by Tenant. Except for Claims resulting from the gross negligence of any of the Landlord Related Parties, Tenant shall indemnify, defend and hold the Landlord Related Parties harmless against and from all Claims which may be imposed upon, incurred by, or asserted against any of the Landlord Related Parties and arising, directly or indirectly, out of or in connection with the use or occupancy or maintenance of the Supplemental HVAC Site by, through or under Tenant, and (without limiting the generality of the foregoing) any of the following occurring during the Lease Term: (i) any work or thing done in, on or about the Supplemental HVAC Site or any part thereof by any of the Tenant Related Parties; (ii) any use, possession, occupation, condition, operation, maintenance or management of the Supplemental HVAC Site or any part thereof; (iii) any act or omission of Tenant or any of the Tenant Related Parties; (iv) any injury or damage to any person or property occurring in, on or about the Supplemental HVAC Site or any part thereof; or (v) any failure on the part of Tenant to perform or comply with any of the covenants, agreements, terms or conditions contained in this Amendment with which Tenant, on its part, must comply or perform. In case any action or proceeding is brought against any of the Landlord Related Parties by reason of any of the foregoing, Tenant shall, at Tenant's sole cost and expense, resist or defend such action or proceeding by counsel approved by Landlord, which approval shall not be unreasonably withheld.

11. Exhibit A-1 in the Lease is hereby deleted and replaced with **Exhibit C** attached hereto and incorporated herein.

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ATRIUM / 12  
Cambium Networks (Amend) EWM  
03/01/12

12. Miscellaneous.

(a) This Amendment sets forth the entire agreement between the parties with respect to the matters set forth herein. There have been no additional oral or written representations or agreements. Under no circumstances shall Tenant be entitled to any Rent abatement, improvement allowance, leasehold improvements, or other work to the Premises, or any similar economic incentives that may have been provided Tenant in connection with entering into the Lease, unless specifically set forth in this Amendment.

(b) Except as herein modified or amended, the provisions, conditions and terms of the Lease shall remain unchanged and in full force and effect.

(c) In the case of any inconsistency between the provisions of the Lease and this Amendment, the provisions of this Amendment shall govern and control.

(d) Submission of this Amendment by Landlord is not an offer to enter into this Amendment but rather is a solicitation for such an offer by Tenant. Landlord shall not be bound by this Amendment until Landlord has executed and delivered the same to Tenant.

(e) The capitalized terms used in this Amendment shall have the same definitions as set forth in the Lease to the extent that such capitalized terms are defined therein and not redefined in this Amendment.

(f) Neither Landlord nor Tenant has dealt with any broker or agent in connection with the negotiation or execution of this Amendment. Tenant and Landlord shall each indemnify the other against all costs, expenses, attorneys' fees, liens and other liability for commissions or other compensation claimed by any broker or agent claiming the same by, through, or under the indemnifying party.

(g) Each signatory of this Amendment represents hereby that he or she has the authority to execute and deliver the same on behalf of the party hereto for which such signatory *is* acting.

This Amendment includes the following exhibits, which are hereby incorporated into and made a part of this Amendment: **Exhibit A** (Rooftop Site), **Exhibit B** (Designated Duct Area), **Exhibit C** (Exhibit A-1 Replacement—Roof Equipment Area and Exterior Equipment Area).

**IN WITNESS WHEREOF**, Landlord and Tenant have duly executed this Amendment as of the day and year first above written.

**LANDLORD:**

ATRIUM AT 3800 GOLF LLC, a Delaware limited liability company

By: /s/ John S. Grassi  
Name: John S. Grassi  
Title: President

NGED005:017095.0519:1876861.4  
ATRIUM / 12  
Cambium Networks (Amend) EWM  
03/01/12

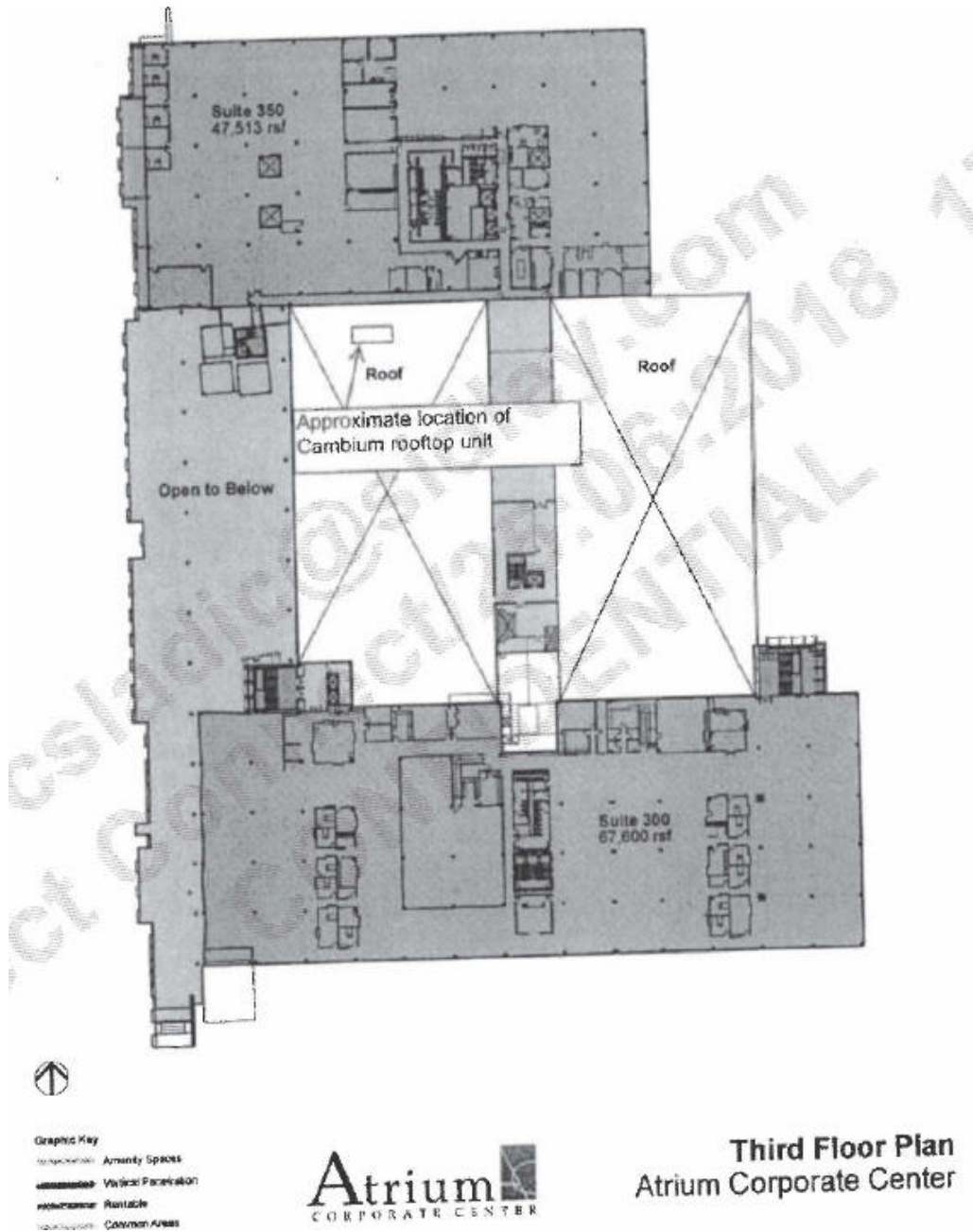
**TENANT:**

CAMBIUM NETWORKS, INC, a Delaware corporation

By: /s/ Robert S. Amen  
Name: Robert S. Amen  
Title: Authorized Signatory

**EXHIBIT A**

**ROOFTOP SITE**

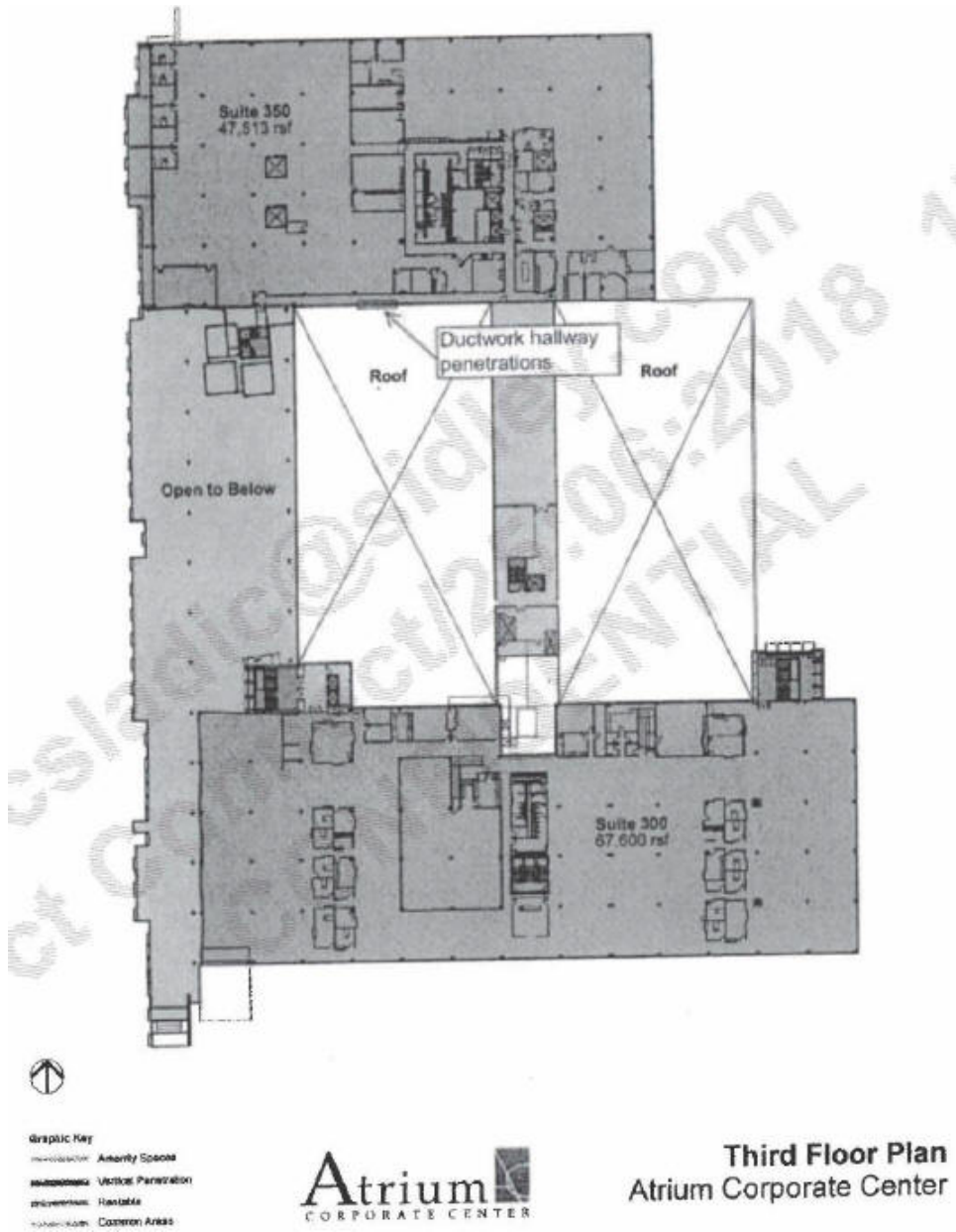


NGED005:017095.0519:1876861.4  
ATRIUM / 12  
Cambium Networks (Amend) EWM  
03/01/12

**EXHIBIT A**

**EXHIBIT B**

**DESIGNATED DUCT AREA**



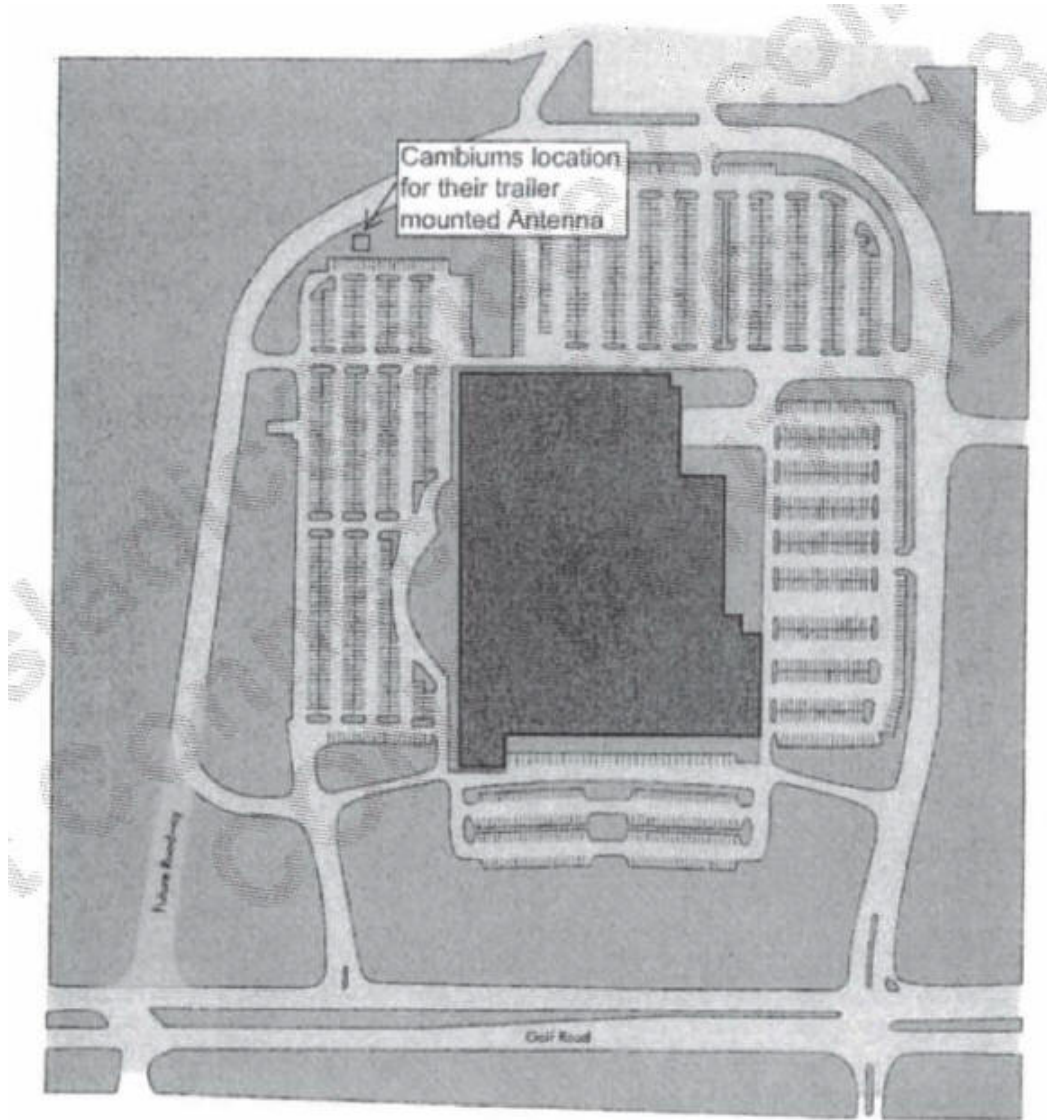
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ATRIUM / 12  
Cambium Networks (Amend) EWM  
03/01/12

**EXHIBIT B**

**EXHIBIT C**

**EXHIBIT A-1 REPLACEMENT**

**ROOF EQUIPMENT AREA AND EXTERIOR EQUIPMENT AREA**



NGED005:017095.0519:1876861.4  
ATRIUM / 12  
Cambium Networks (Amend) EWM  
03/01/12

**EXHIBIT C**

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[5.7.2] [Atrium at 3800 Golf LLC.Cambium (Inc).Lease Amendment No 1.2012.03.06.pdf] [Page 8 of 8]

**SECOND AMENDMENT**

THIS ASECOND AMENDMENT (the "Amendment") is made and entered into as of the 21st day of February 2013 ("Effective Date"), by and between ATRIUM AT 3800 GOLF LLC, a Delaware limited liability company ("Landlord"), and CAMBIUM NETWORKS, INC., a Delaware corporation ("Tenant").

**RECITALS**

A. Landlord and Tenant are parties to that certain lease dated January 30, 2012, which has been previously amended by that certain First Amendment dated March 6, 2012 (collectively, the "Lease"). Pursuant to the Lease, Landlord has leased to Tenant space containing approximately 34,198 rentable square feet (the "Premises") described as Suite Nos. 155 and 360 on the first and third floors of the building commonly known as Atrium Corporate Center located at 3800 Golf Road, Rolling Meadows, Illinois 60008 (the "Building").

B. Tenant desires to add one additional antenna to the rooftop of the Building to service the Premises, and the parties desire to amend the Lease to accommodate one additional antenna on the following terms and conditions.

**NOW, THEREFORE**, in consideration of the mutual covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Landlord and Tenant agree as follows:

1. Roof Equipment. Effective as of the Effective Date, the Lease shall be amended in the following respects:

(a) The first sentence of Section 5.5,1(a) of the Lease is hereby deleted and replaced with the following:

"Provided an Event of Default has not occurred and further provided that Landlord's structural engineer has reviewed and approved the installation of the Roof Equipment, at Tenant's sole cost and expense, Tenant shall have the right, at any time during the Lease Term, to install, construct, operate, and maintain not more than two (2) antennas in a size approved by Landlord, which approval shall be in Landlord's sole and absolute discretion, together with any reasonable equipment, cabling and wiring necessary to operate the antennas (collectively, the "**Roof Equipment**") on the roof of the Building free of charge during the Term and any subsequent Renewal Terms and in accordance with the terms and conditions set forth in this Section 5.5.1."

(b) **Exhibit A-1** in the Lease is hereby amended by adding the depiction of the Roof Equipment Area set forth on **Schedule 1** attached hereto and incorporated herein as the second page of **Exhibit A-1** to the Lease.

2. Miscellaneous.

(a) This Amendment sets forth the entire agreement between the parties with respect to the matters set forth herein. There have been no additional oral or written representations or agreements, Under no circumstances shall Tenant be entitled to any Rent abatement, improvement allowance, leasehold improvements, or other work to the Premises, or any similar economic incentives that may have been provided Tenant in connection with entering into the Lease, unless specifically set forth in this Amendment.

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Cambium Networks (2'd Amend) EWM  
02/04/2013

(b) Except as herein modified or amended, the provisions, conditions and terms of the Lease shall remain unchanged and in full force and effect.

(c) In the case of any inconsistency between the provisions of the Lease and this Amendment, the provisions of this Amendment shall govern and control.

(d) Submission of this Amendment by Landlord is not an offer to enter into this Amendment but rather is a solicitation for such an offer by Tenant. Landlord shall not be bound by this Amendment until Landlord has executed and delivered the same to Tenant.

(e) The capitalized terms used in this Amendment shall have the same definitions as set forth in the Lease to the extent that such capitalized terms are defined therein and not redefined in this Amendment.

(f) Neither Landlord nor Tenant has dealt with any broker or agent in connection with the negotiation or execution of this Amendment. Tenant and Landlord shall each indemnify the other against all costs, expenses, attorneys' fees, liens and other liability for commissions or other compensation claimed by any broker or agent claiming the same by, through, or under the indemnifying party.

(g) Each signatory of this Amendment represents hereby that he or she has the authority to execute and deliver the same on behalf of the party hereto for which such signatory is acting.

This Amendment includes the following exhibits, which are hereby incorporated into and made a part of this Amendment: **Schedule 1** (Exhibit A-1 Addition—Roof Equipment Area).

**IN WITNESS WHEREOF**, Landlord and Tenant have duly executed this Amendment as of the day and year first above written.

**LANDLORD:**

ATRIUM AT 3800 GOLF LLC, a Delaware limited liability company

By: /signed/  
Name:  
Title: President

NGEDOCs:017095,0519:2053666,1  
SSC ATRIUM / 13  
Cambium Networks (2'd Amend) EWM  
02/04/2013

**TENANT:**

CAMBIUM NETWORKS, INC, a Delaware corporation

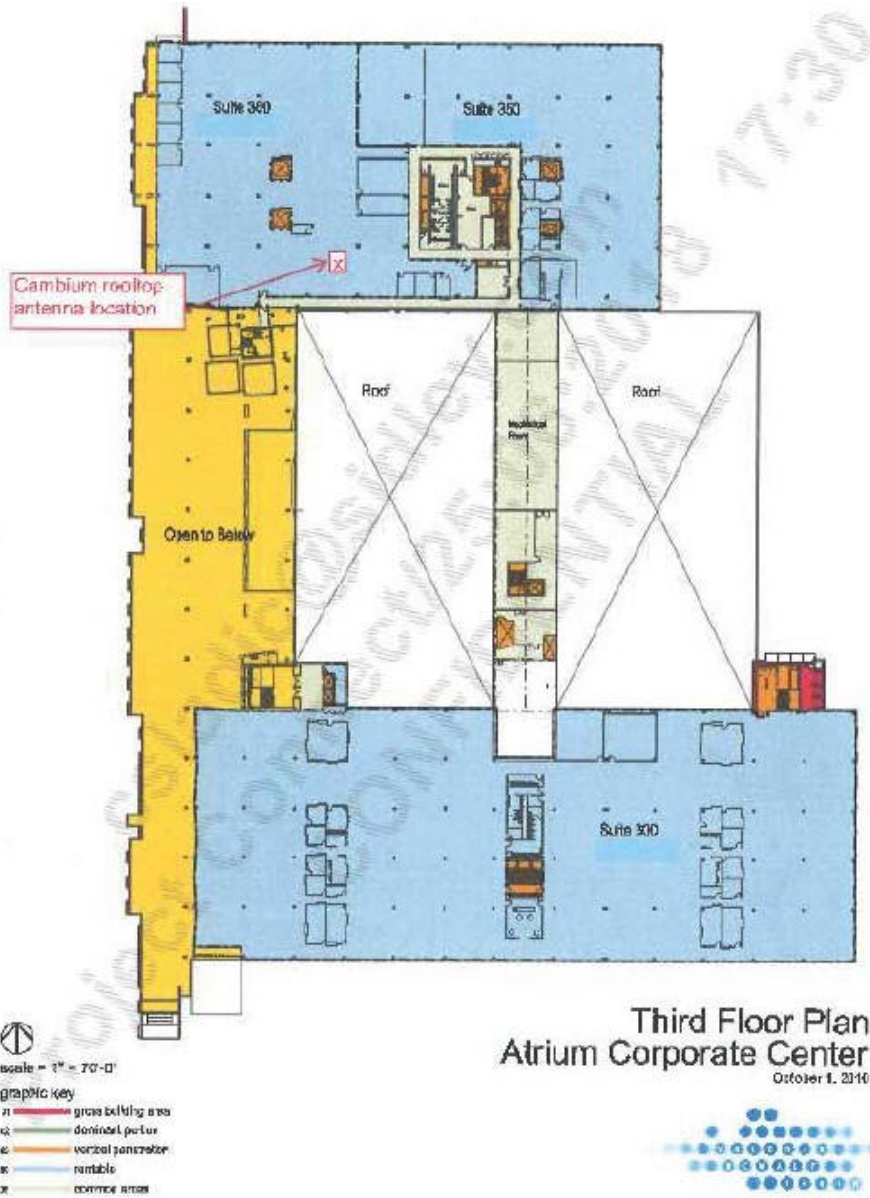
By: /signed/  
Name:  
Title: Chief Financial Officer



**SCHEDULE 1**

**EXHIBIT A-1 ADDITION**

**ROOF EQUIPMENT AREA**



NGEDOCs:017095,0519:2053666,1  
SSC ATRIUM / 13  
Cambium Networks (2'd Amend) EWM  
02/04/2013

Schedule 1

1

[5.7.3] [Atrium at 3800 Golf LLC.Cambium (Inc).Lease Amendment No 2.2013.02.21.pdf] [Page 3 of 3]



### THIRD AMENDMENT

THIS THIRD AMENDMENT (the "Amendment") is made and entered into as of the 3 day of June, 2015 ("**Effective Date**"), by and between ATRIUM AT 3800 GOLF LLC, a Delaware limited liability company ("**Landlord**"), and CAMBIUM NETWORKS, INC., a Delaware corporation ("**Tenant**").

### RECITALS

A. Landlord and Tenant are parties to that certain lease dated January 30, 2012, which has been previously amended by that certain First Amendment dated March 6, 2012 ("**First Amendment**") and that certain Second Amendment dated February 21, 2013 ("**Second Amendment**") (collectively, the "**Lease**"). Pursuant to the Lease, Landlord has leased to Tenant space containing approximately 34,198 rentable square feet (the "**Premises**") described as Suite Nos. 155 and 360 on the first and third floors of the building commonly known as Atrium Corporate Center located at 3800 Golf Road, Rolling Meadows, Illinois 60008 (the "**Building**").

B. Tenant desires to replace and add to Tenant's Roof Equipment located in the Roof Equipment Area set forth on Exhibit A-1 attached to the Lease, as amended by both the First Amendment and the Second Amendment, and the parties desire to amend the Lease on the following terms and conditions.

**NOW, THEREFORE**, in consideration of the mutual covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Landlord and Tenant agree as follows:

1. Roof Equipment. Effective as of the Effective Date, the first sentence of Section 5.5.1(a) of the Lease is hereby deleted and replaced with the following:

"Provided an Event of Default has not occurred and further provided that Landlord's structural engineer has reviewed and approved the installation of the Roof Equipment, at Tenant's sole cost and expense, Tenant shall have the right, at any time during the Lease Term, to install, construct, operate, and maintain Tenant's Roof Equipment (as hereinafter defined) on the roof of the Building free of charge during the Term and any subsequent Renewal Terms and in accordance with the terms and conditions set forth in this Section 5.5.1. As used herein, the term "**Roof Equipment**" shall mean not more than one (1) mounting pole, together with up to twelve (12) antennae or other related telecommunication equipment installed on such mounting pole, plus any reasonable equipment, cabling and wiring necessary to operate such antennae or other telecommunication equipment. The Roof Equipment, in each instance, shall be in a size approved by Landlord, which approval shall be in Landlord's sole and absolute discretion."

2. Miscellaneous.

(a) This Amendment sets forth the entire agreement between the parties with respect to the matters set forth herein. There have been no additional oral or written representations or agreements. Under no circumstances shall Tenant be entitled to any Rent abatement, improvement allowance, leasehold improvements, or other work to the Premises, or any similar economic incentives that may have been provided Tenant in connection with entering into the Lease, unless specifically set forth in this Amendment.

(b) Except as herein modified or amended, the provisions, conditions and terms of the Lease shall remain unchanged and in full force and effect.

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SSC ATRIUM / 13  
Cambium Networks (2'd Amend) EWM  
02/04/2013

(c) In the case of any inconsistency between the provisions of the Lease and this Amendment, the provisions of this Amendment shall govern and control.

(d) Submission of this Amendment by Landlord is not an offer to enter into this Amendment but rather is a solicitation for such an offer by Tenant. Landlord shall not be bound by this Amendment until Landlord has executed and delivered the same to Tenant.

(e) The capitalized terms used in this Amendment shall have the same definitions as set forth in the Lease to the extent that such capitalized terms are defined therein and not redefined in this Amendment.

(f) Neither Landlord nor Tenant has dealt with any broker or agent in connection with the negotiation or execution of this Amendment. Tenant and Landlord shall each indemnify the other against all costs, expenses, attorneys' fees, liens and other liability for commissions or other compensation claimed by any broker or agent claiming the same by, through, or under the indemnifying party.

(g) Each signatory of this Amendment represents hereby that he or she has the authority to execute and deliver the same on behalf of the party hereto for which such signatory is acting.

**IN WITNESS WHEREOF**, Landlord and Tenant have duly executed this Amendment as of the day and year first above written.

**LANDLORD:**

ATRIUM AT 3800 GOLF LLC, a Delaware limited liability company

By: /s/ John S. Grassi  
Name: John S Grassi  
Title: President

NGEDOCS:017095,0519:2053666,1  
SSC ATRIUM / 13  
Cambium Networks (2'd Amend) EWM  
02/04/2013

**TENANT:**

CAMBIUM NETWORKS, INC, a Delaware corporation

By: /s/ Sally Rau  
Name: Sally Rau  
Title: General Counsel

## FOURTH AMENDMENT

**THIS FOURTH AMENDMENT** (the “**Amendment**”) is made and entered into as of the 18 day of January, 2018 (“**Effective Date**”), by and between **WHETSTONE ATRIUM, LLC, a Delaware limited liability company** (“**Landlord**”), and **CAMBIUM NETWORKS, INC., a Delaware corporation** (“**Tenant**”).

## RECITALS

A. Landlord (as successor-in-interest to Atrium at 3800 Golf, LLC) and Tenant are parties to that certain lease dated January 30, 2012, which has been previously amended by that certain First Amendment dated March 6, 2012 (“**First Amendment**”), that certain Second Amendment dated February 21, 2013 (“**Second Amendment**”) and that certain Third Amendment dated June 3, 2015 (“**Third Amendment**”) (collectively, the “**Lease**”). Pursuant to the Lease, Landlord has leased to Tenant space currently containing approximately **34,198** rentable square feet (the “**Original Premises**”), described as Suite Nos. 155 and 360 on the first and third floors of the building commonly known as Atrium Corporate Center located at 3800 Golf Road, Rolling Meadows, Illinois 60008 (the “**Building**”).

B. Tenant has requested that additional space containing approximately **3,507** rentable square feet adjacent to Suite 360 on the third floor of the Building as shown on **Exhibit A** hereto (the “**Expansion Space**”) be added to the Premises and that the Lease be appropriately amended, and Landlord is willing to do the same on the following terms and conditions.

**NOW, THEREFORE**, in consideration of the mutual covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Landlord and Tenant agree as follows:

1. **Expansion.** Effective as of the Expansion Effective Date (defined below), the Premises, as defined in the Lease, is increased from **34,198** Rentable Square Feet to **37,705** Rentable Square Feet by the addition of the Expansion Space, and from and after the Expansion Effective Date, the Original Premises and the Expansion Space, collectively, shall (except as otherwise set forth in this Amendment) be deemed the Premises, as defined in the Lease. Landlord and Tenant stipulate and agree that the Rentable Square Footage of the Expansion Space is correct and shall not be remeasured.
2. **Term.** The Term for the Expansion Space (the “**Expansion Term**”) shall commence on the Expansion Effective Date and end on March 31, 2024 (the “**Expansion Termination Date**”). The Expansion Space is subject to all the terms and conditions of the Lease except as expressly modified herein and except that Tenant shall not be entitled to receive any allowances, abatements or other financial concessions granted with respect to the Original Premises unless such concessions are expressly provided for herein with respect to the Expansion Space.
  - A. The “**Expansion Effective Date**” shall be the later to occur of (i) April 1, 2018 (“**Target Expansion Effective Date**”), and (ii) the date upon which the Landlord Expansion Work (as defined in the Work Letter attached as **Exhibit B** hereto) in the Expansion Space has been substantially completed; provided, however, that if Landlord shall be delayed in substantially completing the Landlord Expansion

SLLG:4839-5727-8298.3  
 SSC ATRIUM / 18  
 Cambium Networks (4th Amend) JSB  
 01/10/2018

Work in the Expansion Space as a result of the occurrence of a Tenant Delay (defined below), then, for purposes of determining the Expansion Effective Date, the date of substantial completion shall be deemed to be the day that said Landlord Expansion Work would have been substantially completed absent any such Tenant Delay(s). A "Tenant Delay" means any actual delays in the substantial completion of the Landlord Expansion Work by reason of the following:

1. Tenant's failure to furnish information, selections or approvals within any time period specified in the Lease or this Amendment;
2. Tenant's selection of non-Building standard equipment or non-Building standard materials that have long lead times after first being informed by Landlord that the selection may result in a delay;
3. Changes requested or made by Tenant to previously approved plans and specifications; or
4. The performance of work in the Expansion Space by Tenant or Tenant's contractor(s) during the performance of the Landlord Expansion Work.

The Expansion Space shall be deemed to be substantially completed on the date that Landlord's architect or contractor reasonably determines that all Landlord Expansion Work has been performed (or would have been performed absent any Tenant Delays), other than any details of construction, mechanical adjustment or any other matter, the noncompletion of which does not materially interfere with Tenant's use of the Expansion Space. Except as provided in Paragraph 1.0 of this Amendment, the adjustment of the Expansion Effective Date and, accordingly, the postponement of Tenant's obligation to pay Rent on the Expansion Space shall be Tenant's sole remedy and shall constitute full settlement of all claims that Tenant might otherwise have against Landlord by reason of the Expansion Space not being ready for occupancy by Tenant on the Target Expansion Effective Date. If the Expansion Effective Date is postponed, the Expansion Termination Date shall not be similarly extended.

- B. In addition to the postponement, if any, of the Expansion Effective Date as a result of the applicability of Paragraph 1.A of this Amendment, the Expansion Effective Date shall be delayed to the extent that Landlord fails to deliver possession of the Expansion Space for any other reason (other than Tenant Delays by Tenant), including but not limited to, holding over by prior occupants. Except as provided in Paragraph 1.0 of this Amendment, any such delay in the Expansion Effective Date shall not subject Landlord to any liability for any loss or damage resulting therefrom. If the Expansion Effective Date is delayed, the Expansion Termination Date shall not be similarly extended.
- C. Notwithstanding anything to the contrary contained herein, in the event the Expansion Effective Date has not occurred by June 30, 2018 for any reason (other than Tenant Delays by Tenant), then, as Tenant's sole remedy, Tenant may terminate this Amendment, effective immediately upon notice given to Landlord at any time thereafter and prior to the actual Expansion Effective Date

SLLG:4839-5727-8298.3  
SSC ATRIUM / 18  
Cambium Networks (4th Amend) JSB  
01/10/2018

(but the provisions of the Lease shall remain in full force and effect with respect to the Original Premises through the Original Termination Date, defined in Paragraph 4 below), and upon such notice, this Amendment and the parties' rights and obligations under hereunder shall terminate without further action by either party, except that the change in notice addresses set forth in Paragraph 9 below shall continue to apply.

3. **Base Rent for the Expansion Space.** As of the Expansion Effective Date, the schedule of Base Rent payable with respect to the Expansion Space for the Expansion Term is the following:

<u>Period</u>	<u>Annual Rate Per Square Foot</u>	<u>Annual Base Rent</u>	<u>Monthly Base Rent</u>
Expansion Effective			
Date – 3/31/19*	\$ 24.50	\$85,921.50	\$7,160.13
4/1/19 – 3/31/20	\$ 25.00	\$87,675.00	\$7,306.25
4/1/20 – 3/31/21	\$ 25.50	\$89,428.50	\$7,452.38
4/1/21 – 3/31/22	\$ 26.00	\$91,182.00	\$7,598.50
4/1/22 – 3/31/23	\$ 26.50	\$92,935.50	\$7,744.63
4/1/23 – 3/31/24	\$ 27.00	\$94,689.00	\$7,890.75

- \* If the Expansion Effective Date occurs on a date other than the first day of a calendar month, Base Rent for such initial partial calendar month shall be at the annual rate of \$24.50 per square foot set forth above and prorated based upon the number of days in such partial calendar month.

All such Base Rent shall be payable by Tenant in accordance with the terms of the Lease.

Notwithstanding anything to the contrary contained herein, as long as Tenant is not in default, Tenant shall not be required to pay (i) the Base Rent for the Original Premises otherwise due for the first (1st) full calendar month after the Expansion Effective Date, and (ii) the Base Rent for the Expansion Space otherwise due for the first three (3) full calendar months after the Expansion Effective Date (the period commencing on the Expansion Effective Date and ending on the last day of the third (3rd) full calendar month thereafter being hereinafter referred to as the “**Base Rent Abatement Period**”). Subject to the provisions of this paragraph, the total amount of Base Rent abated during the Base Rent Abatement Period shall be \$87,739.02 (the “**Abated Base Rent**”), being the sum of (a) \$66,258.63 with respect to the Original Premises, plus (b) \$21,480.39 with respect to the Expansion Space. If an Event of Default occurs at any time during the Expansion Term, then from and after the Event of Default, Tenant’s right to abate the Abated Rent shall immediately cease. During the Base Rent Abatement Period, only the Abated Base Rent shall be abated, and all other costs and charges specified in the Lease as Additional Rent (including, without limitation, the Expense Adjustment Amount, the Tax Adjustment Amount and utility charges) and other costs and charges specified in the Lease for the entire Base Rent Abatement Period shall remain as due and payable pursuant to

SLLG:4839-5727-8298.3  
 SSC ATRIUM / 18  
 Cambium Networks (4th Amend) JSB  
 01/10/2018

the provisions of the Lease. In the event Tenant is unable to recapture the full amount set forth above, Tenant shall have no further right to recapture nor any right or claim against Landlord for any remaining Abated Base Rent not yet credited or applied. Tenant's forfeiture of any remaining Abated Base Rent not yet applied if an Event of Default occurs shall not limit or affect any of Landlord's other rights pursuant to this Lease or at law or in equity.

4. **Extension of Initial Term for the Original Premises.** The parties acknowledge that the Initial Term of the Lease with respect to the Original Premises is currently scheduled to expire on February 28, 2023 (the "**Original Termination Date**"). In consideration of the leasing of the Expansion Space to Tenant, the Initial Term of the Lease with respect to the Original Premises is hereby extended in order to be co-terminus with the Expansion Term and therefore shall expire on the Expansion Termination Date, rather than the Original Termination Date. Commencing as of March 1, 2023, Tenant shall pay Base Rent with respect to the Original Premises at the annual rate of \$25.75 per square foot of the Rentable Square Footage of the Original Premises (\$73,383.21 per month) for twelve (12) months, and as of March 1, 2024, such Base Rent shall increase by (\$0.50) per square foot of the Rentable Area of the Original Premises (\$74,808.13 per month) for the last month of the Initial Term, as herein extended.
5. **Additional Rent for the Expansion Space.** Commencing as of January 1, 2019, in addition to Base Rent for the Expansion Space, Tenant also shall pay Tenant's Share of (a) the Expense Excess and (b) the Tax Excess with respect to the Expansion Space, in the manner and at the times set forth in Article 4 of the Lease, except that the following shall apply with respect to the Expansion Space only:
  - (i) "Tenant's Share" for the Expansion Space shall mean 0.726%;
  - (ii) "Base Year" with respect to the Expansion Space (the "**Expansion Space Base Year**") shall mean calendar year 2018; and
  - (iii) The terms of Section 4.5.3 of the Lease shall not apply to the Expansion Space Base Year.

The Expansion Space Base Year shall apply to the Expansion Space only and shall not affect or change the Base Year with respect to the Original Premises, which shall remain calendar year 2012 for the remainder of the Initial Term of the Lease, as extended pursuant to Paragraph 4 above.

6. **Improvements to Expansion Space.**
  - A. **Condition of Expansion Space.** Tenant has inspected the Expansion Space and agrees to accept the same "as is" without any agreements, representations, understandings or obligations on the part of Landlord to perform any alterations, repairs or improvements, except as may be expressly provided otherwise in this Amendment.
  - B. **Responsibility for Improvements to Expansion Space.** Landlord shall perform improvements to the Expansion Space in accordance with the Work Letter attached hereto as **Exhibit B**.

SLLG:4839-5727-8298.3  
SSC ATRIUM / 18  
Cambium Networks (4th Amend) JSB  
01/10/2018

7. **Early Access to Expansion Space.** During any period that Tenant shall be permitted to enter the Expansion Space prior to the Expansion Effective Date (e.g., to perform alterations or improvements as permitted in the subsequent grammatical paragraph), Tenant shall comply with all terms and provisions of the Lease, except those provisions requiring payment of Base Rent or Additional Rent as to the Expansion Space. If Tenant takes possession of the Expansion Space prior to the Expansion Effective Date for any reason whatsoever (other than the performance of work in the Expansion Space as permitted in the subsequent grammatical paragraph), such possession shall be subject to all the terms and conditions of the Lease and this Amendment, and Tenant shall pay Base Rent as applicable to the Expansion Space to Landlord on a per diem basis for each day of occupancy prior to the Expansion Effective Date.

Tenant and its contractors shall be afforded reasonable access to the Expansion Space during the approximately two (2) weeks preceding the Expansion Effective Date, as reasonably estimated by Landlord (the “**Early Access Period**”), subject, in each instance, to Landlord’s reasonable scheduling and supervision, solely for purposes of installing data and communications wiring and equipment and furniture systems being purchased and installed by Tenant, provided, however, that Tenant’s early access for such limited purposes shall not interfere with the performance of the Landlord Expansion Work, as reasonably determined by Landlord. Landlord’s scheduling and supervision of such work shall not render Landlord responsible for the performance of such work or for any defect therein. Any interference which delays the completion of the Landlord Expansion Work shall constitute a Tenant Delay, as defined in Paragraph 2.A above, and Landlord shall have the right, on notice to Tenant, to cause Tenant or any such contractor, workman or supplier to leave the Expansion Space if Landlord determines that any such party is or may interfere with the activities of Landlord. Tenant further agrees that any entry into the Expansion Space shall be at Tenant’s own risk, and Landlord shall not be liable for any injury, loss or damage which may occur to any of Tenant’s property or Tenant’s installations made in the Expansion Space.

8. **Renewal Options.** The First Renewal Option and the Second Renewal Option set forth in Section 2.2 of the Lease shall be exercised, if at all, with respect to both the Original Premises and the Expansion Space.
9. **Notice Provision.** Commencing on the Effective Date, Landlord’s Notice Addresses set forth in the Basic Lease Provisions are hereby deleted and replaced with the following:

**Landlord:**

Whetstone Atrium, LLC  
do Spear Street Capital  
One Market Plaza  
Spear Tower, Suite 4125  
San Francisco, CA 94105  
Attention: John Grassi

**With a copy to:**

Strategic Leasing Law Group, LLP  
10 South Riverside Plaza, Suite 1830

SLLG:4839-5727-8298.3  
SSC ATRIUM / 18  
Cambium Networks (4th Amend) JSB  
01/10/2018

Chicago, IL 60606  
Attention: Ellen B. Friedler

And with a copy to:

Whetstone Atrium, LLC  
do Spear Street Capital  
450 Lexington Avenue, 39th Floor  
New York, NY 10017  
Attention:

10. **Miscellaneous.**

- A. This Amendment sets forth the entire agreement between the parties with respect to the matters set forth herein. There have been no additional oral or written representations or agreements. Under no circumstances shall Tenant be entitled to any Rent abatement, improvement allowance, leasehold improvements, or other work to the Premises, or any similar economic incentives that may have been provided Tenant in connection with entering into the Lease, unless specifically set forth in this Amendment.
- B. Except as herein modified or amended, the provisions, conditions and terms of the Lease shall remain unchanged and in full force and effect.
- C. In the case of any inconsistency between the provisions of the Lease and this Amendment, the provisions of this Amendment shall govern and control.
- D. Submission of this Amendment by Landlord is not an offer to enter into this Amendment but rather is a solicitation for such an offer by Tenant. Landlord shall not be bound by this Amendment until Landlord has executed and delivered the same to Tenant.
- E. The capitalized terms used in this Amendment shall have the same definitions as set forth in the Lease to the extent that such capitalized terms are defined therein and not redefined in this Amendment.
- F. Tenant hereby represents to Landlord that Tenant has dealt with no broker in connection with this Amendment other than CB Richard Ellis (“**Landlord’s Broker**”). Tenant agrees to indemnify and hold Landlord, its trustees, members, principals, beneficiaries, partners, officers, directors, employees, mortgagee(s) and agents, and the respective principals and members of any such agents (collectively, the “**Landlord Related Parties**”) harmless from all claims of any brokers (other than Landlord’s Broker) claiming to have represented Tenant in connection with this Amendment. Landlord hereby represents to Tenant that Landlord has dealt with no broker in connection with this Amendment (other than Landlord’s Broker). Landlord agrees to indemnify and hold Tenant, its trustees, members, principals, beneficiaries, partners, officers, directors, employees, and agents, and the respective principals and members of any such agents (collectively, the “**Tenant Related Parties**”) harmless from all claims of any brokers claiming to have represented Landlord in connection with this Amendment (other than Landlord’s Broker).

SLLG:4839-5727-8298.3  
SSC ATRIUM / 18  
Cambium Networks (4th Amend) JSB  
01/10/2018



- G. Each signatory of this Amendment represents hereby that he or she has the authority to execute and deliver the same on behalf of the party hereto for which such signatory is acting.
- H. This Amendment may be executed in counterparts with the same effect as if both parties hereto had executed the same document, provided that all parties are furnished a copy or copies thereof reflecting the signature of all parties. Both counterparts shall be construed together and shall constitute a single document. The parties acknowledge and agree that, to facilitate execution of this Amendment, the parties may execute and exchange by email in PDF format counterparts of the signature pages, which shall be deemed an original.

This Amendment includes the following exhibits and attachments, which are hereby incorporated into and made a part of this Amendment:

**Exhibit A** (Outline and Location of Expansion Space), **Exhibit B** (Work Letter) and **Exhibit B-1** (Design Plan).

SLLG:4839-5727-8298.3  
SSC ATRIUM / 18  
Cambium Networks (4th Amend) JSB  
01/10/2018

**WITNESS/ATTEST:**

\_\_\_\_\_

Name (print): \_\_\_\_\_

\_\_\_\_\_

Name: \_\_\_\_\_

**WITNESS/ATTEST:**

\_\_\_\_\_

Name (print): \_\_\_\_\_

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Name (print): \_\_\_\_\_

SLLG:4839-5727-8298.3  
SSC ATRIUM / 18  
Cambium Networks (4th Amend) JSB  
01/10/2018

**LANDLORD:**

**WHETSTONE ATRIUM, LLC,  
a Delaware limited liability company**

By: /s/ Rajiv S. Patel \_\_\_\_\_

Name: Rajiv S. Patel

Title: President

**TENANT:**

**CAMBIUM NETWORKS, INC., a Delaware**

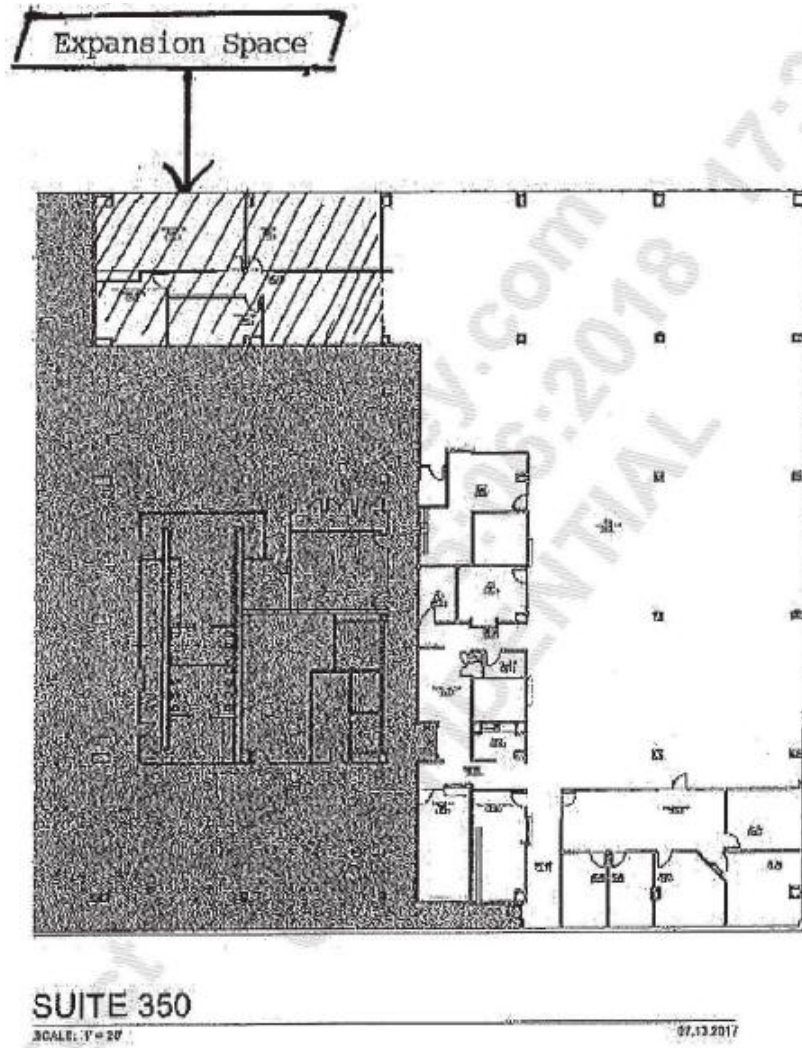
By: /s/ Atul Bhatnagar \_\_\_\_\_

Name: Atul Bhatnagar

Title: CEO & MD

EXHIBIT A

OUTLINE AND LOCATION OF EXPANSION SPACE



SLLG:4839-5727-8298.3  
SSC ATRIUM / 18  
Cambium Networks (4th Amend) JSB  
01/10/2018

**EXHIBIT B**

**WORK LETTER**

This Exhibit is attached to and made a part of the Fourth Amendment dated as of January 12, 2018, by and between **WHETSTONE ATRIUM, LLC, a Delaware limited liability company (“Landlord”)**, and **CAMBIUM NETWORKS, INC., a Delaware corporation (“Tenant”)**.

As used in this Work Letter, the “Premises” shall be deemed to mean the Expansion Space, as defined in the Amendment to which this Exhibit is attached.

1. Landlord shall perform only the following improvements to the Premises (the “**Landlord Expansion Work**”) in the areas cross-hatched (the “**Improvement Area**”) on **Exhibit B-1** attached hereto (the “**Design Plan**”): demise the Improvement Area to the configuration shown on the Design Plan, create a large conference room as depicted on the Design Plan, build the closets depicted on the Design Plan, re-paint the Improvement Area with a single color (no accent walls), re-carpet the Improvement Area (with a carpeting allowance not to exceed \$36.00 per square yard, including padding and installation), and perform all mechanical, electrical and fire/life safety protection work for standard office use as necessary to integrate the Improvement Area with the rest of the Premises. It is agreed that construction of the Landlord Expansion Work will be completed at Landlord’s sole cost and expense (subject to the terms of Paragraph 2 below) using Building standard methods, materials, and finishes. Tenant shall make color and material selections from among such samples and on such forms as Landlord shall provide. If Tenant’s local representative fails to make such selections within three (3) business days after Landlord’s request therefor, then Landlord is authorized to make such selections as Landlord reasonably deems appropriate after taking into account the colors, style, and quality of the improvements in the Original Premises with the goal to achieve as close a match as reasonably possible, and Tenant shall be bound by Landlord’s selections. Landlord shall enter into a direct contract for the Landlord Expansion Work with a general contractor selected by Landlord. In addition, Landlord shall have the right to select and/or approve of any subcontractors used in connection with the Landlord Expansion Work. Landlord’s supervision or performance of any work for or on behalf of Tenant shall not be deemed a representation by Landlord that such Design Plan, or the revisions thereto by Tenant comply with applicable insurance requirements, building codes, ordinances, laws or regulations, or that the improvements constructed in accordance with the Design Plan and any revisions thereto by Tenant will be adequate for Tenant’s use, it being agreed that Tenant shall be responsible for all elements of the design of the Design Plan (including, without limitation, compliance with law relating to design, functionality of design, the configuration of the premises and the placement of Tenant’s furniture, appliances and equipment [including responsibility for all load-bearing issues related to such configuration and placement]). Landlord shall perform the Landlord Expansion Work or cause the Landlord Expansion Work to be performed in compliance with all applicable laws. Landlord shall diligently pursue the completion of the Landlord Expansion Work in a timely fashion.

2. If Tenant shall request any revisions to the Design Plan, Landlord shall have such revisions prepared at Tenant’s sole cost and expense, and Tenant shall reimburse Landlord for the cost of preparing any such revisions to the Design Plan, plus any applicable state sales or use tax thereon, upon demand. Promptly upon completion of the revisions, Landlord shall notify Tenant in writing of the increased cost in the Landlord Expansion Work, if any, resulting from such revisions to the Design Plan. Tenant, within three (3) business days,

SLLG:4839-5727-8298.3  
SSC ATRIUM / 18  
Cambium Networks (4th Amend) JSB  
01/10/2018

shall notify Landlord in writing whether it desires to proceed with such revisions. In the absence of such written authorization, Landlord shall have the option to continue work on the Premises disregarding the requested revision. Tenant shall be responsible for any Tenant Delay in completion of the Premises resulting from any revision to the Design Plan. If such revisions result in an increase in the cost of Landlord Expansion Work, such increased costs, plus any applicable state sales or use tax thereon, shall be payable by Tenant within thirty (30) days after receipt. Notwithstanding anything herein to the contrary, all revisions to the Design Plan shall be subject to the approval of Landlord, which approval shall not be unreasonably withheld or delayed.

3. Promptly following Landlord's completion of the Landlord Expansion Work, Tenant shall, at Tenant's sole cost and expense, perform any additional work required to ready the Expansion Space for Tenant's use and occupancy, including, without limitation, providing the furniture, fixtures and equipment depicted on the Design Plan and installing all necessary wiring and cabling. All such work performed by or on behalf of Tenant shall be performed in accordance with Article 8 of the Lease.

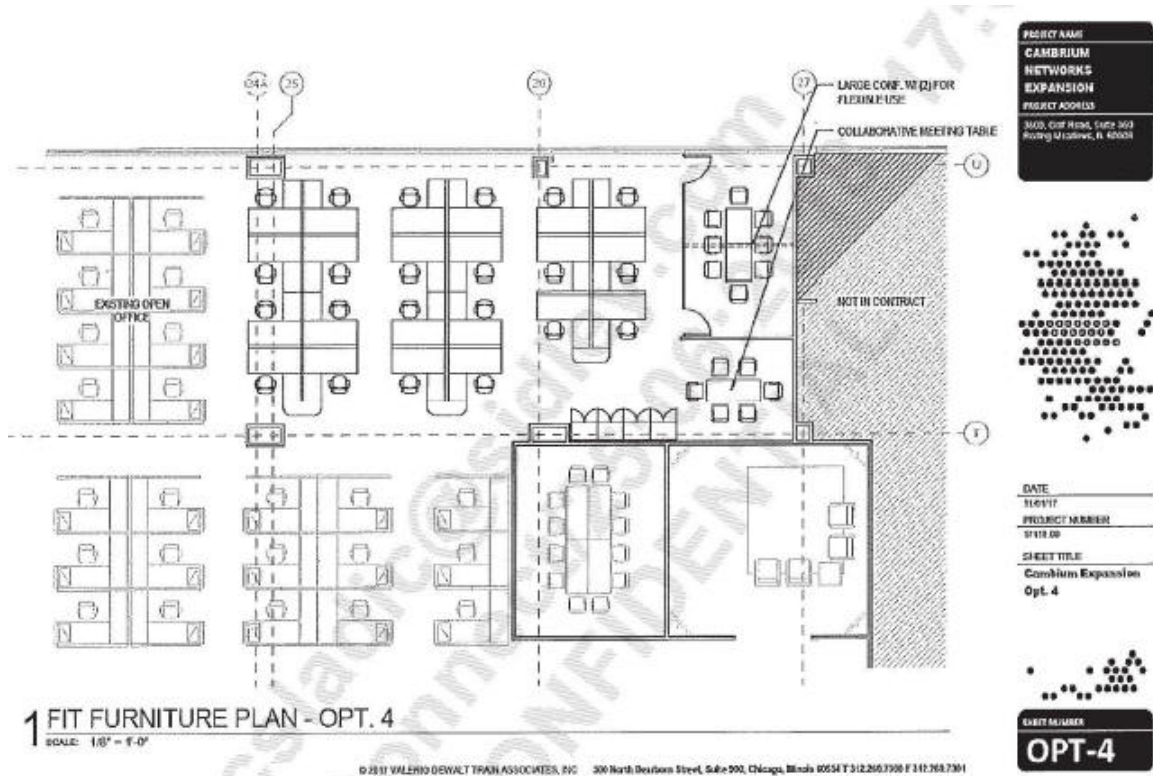
4. Tenant acknowledges that the Landlord Expansion Work may be performed by Landlord in the Premises during Normal Business Hours subsequent to the Effective Date of the Amendment. Landlord and Tenant agree to cooperate with each other in order to enable the Landlord Expansion Work to be performed in a timely manner and with as little inconvenience to the operation of Tenant's business as is reasonably possible. Notwithstanding anything herein to the contrary, any inconvenience suffered by Tenant during the performance of the Landlord Expansion Work shall not subject Landlord to any liability for any loss or damage resulting therefrom or entitle Tenant to any credit, abatement or adjustment of Rent or other sums payable under the Lease.

5. This Exhibit shall not be deemed applicable to any additional space added to the Premises at any time or from time to time, whether by any options under the Lease or otherwise, or to any portion of the original Premises or any additions to the Premises in the event of a renewal or extension of the original Term of the Lease, whether by any options under the Lease or otherwise, unless expressly so provided in the Lease or any amendment or supplement to the Lease.

SLLG:4839-5727-8298.3  
SSC ATRIUM / 18  
Cambium Networks (4th Amend) JSB  
01/10/2018

EXHIBIT B-1

DESIGN PLAN



SLLG:4839-5727-8298.3  
SSC ATRIUM / 18  
Cambium Networks (4th Amend) JSB  
01/10/2018

**LEASE Deed**

**THIS LEASE Deed** together with its Schedules and Annexures (hereinafter referred to as the “**Lease Deed**”) is executed at Bangalore on this the Twentieth day of June **Two Thousand Sixteen (20-06-2016)** (“**Effective Date**”).

**BETWEEN:**           **M/s. Umiya Holding Private Limited**  
No. 29/3, H.M Trafford, 2nd Floor,  
7<sup>th</sup> Cross, Vasanth Nagar,  
Bangalore-560 052  
Represented by, Mr. Srikanth Reddy,  
Vice-President, Marketing

hereinafter referred to as the “**LESSOR**” (which expression shall unless excluded by or repugnant to the subject or context be deemed to include its successors and assigns) of the **ONE PART**;

**AND**

**Cambium Networks Consulting Private Limited**  
Ground Floor, Velocity Block, Prestige Technology  
Park – III, Marathahalli-Sarjapur Outer Ring Road  
Bangalore – 560 103  
Represented by its Authorised Signatory,  
Mr. Biju Kunjukunju  
Senior Director – India Engineering Operations

hereinafter referred to as the “**LESSEE**” (which expression shall unless excluded by or repugnant to the subject or context be deemed to include its successors and assigns) of the **OTHER PART**;

(The Lessor and the Lessee are individually referred to as “Party” and collectively referred to as “Parties”)

I. **WHEREAS** the Lessor is the absolute owner (hereinafter referred to as the “OWNER”) of all that commercially converted lands having Khata No. 172/2 issued by the Bruhat Bangalore Mahanagara Palike (BBMP), comprising of lands in Survey No. 10/1A, measuring 0.247 Guntas, Survey No. 10/1B, measuring 1 Acre and 3.745 Guntas and Survey No. 10/2, measuring 13.05 Guntas, Survey No. 10/3, measuring 1 Acre 0.500 Guntas and Survey No. 11, measuring 18.261Guntas in all measuring 2 Acres 35.80 Guntas, with 10.4582 guntas of undivided share in the internal roads and common entrance in the Cessna Business Park (out of 1 Acre 27.32 Guntas), all of them situated at Kadubeesanahalli Village, VarthurHobli, Bangalore East, more fully described in the Schedule ‘A’ below and hereinafter referred to as the ‘**SCHEDULE ‘A’ PROPERTY**’;

II. **WHEREAS** the Lessor has sold 56200 square feet out of the Schedule ‘A’ Property to Mr. Chatrabhuj Bassarmal Pardhanani along with 5075 sq ft undivided share in the internal roads and common entrance in the Cessna Business Park, comprising of lands in Survey No. 10/1B measuring 22188 sq ft, Survey No. 10/3 measuring 28272 sq ft, Survey No. 11 measuring 5760 sq ft along with 5075 sq ft undivided share in the internal roads and common entrance in the Cessna Business Park situated at Kadubeesanahalli Varthur Hobli Bangalore East Taluk more fully described in the Schedule ‘B’ below and hereinafter referred to as the ‘**SCHEDULE ‘B’ PROPERTY**’ and has retained the remaining land in the Schedule ‘A’ Property;

III. **WHEREAS** the Lessor is the absolute owner of the balance area 69,906 sq ft along with 6,313 sq ft undivided share in the internal roads and common entrance in the Cessna Business Park, Comprising of Lands in Survey Numbers. 10/1A, 10/3, 10/1B, 10/2 and 11 measuring 76,219 sq ft having Khata No.172/2 issued by the Bruhat Bangalore Mahanagara Palike (BBMP) situated at Kadubeesanahalli Varthur Hobli Bangalore East Taluk more fully described in the Schedule ‘C’ below and hereinafter referred to as the “**SCHEDULE ‘C’ PROPERTY**”;

IV. **WHEREAS** the LESSOR has offered an area of 11715 sq ft of Super Built-up Area, on part of the 5<sup>th</sup>(Fifth) Floor, Quadrant 1 of the Building over an Office Area of 3,27,487 Sq Ft of Super Built-up Area in Tower 2 of Umiya Business Bay-II (herein referred to “**Building**”), which is being constructed on the Schedule ‘C’ Property in the development known as Cessna Business Park, Marathalli-Sarjapur Outer Ring Road Bangalore which is morefully described in the **Schedule D** hereunder and hereinafter referred to as “**Demised Premises**”). The Lessor represents that the sanctioned usage of the Demised Premises



would be commercial, and there are no legal impediments for using the Demised Premises for conducting commercial business activities by the Lessee. For the sake of clarity "**Super Built-up Area**" shall, in respect of any Building or part thereof, mean (i) the built up area of such Building (or part thereof) including walls and external finish (ii) the proportionate share in all the Common Areas, amenities and services of such Building (or part thereof) made applicable to all tenants of the building and (iii) amenities and services provided in the terrace floor of the Building made applicable to all tenants of the building. It shall not include external staircases, open terrace areas, basements, stilt floor and parking spaces.

V. **WHEREAS** the Lessor has agreed to grant on lease the Demised Premises alongwith 16 (Sixteen) earmarked car parking slots, including two-wheeler parking slots, between Basement (Puzzle Car Park), Ground, First Floor of the said Building. And the Lessee has agreed to take on Lease on the terms and conditions hereinafter appearing.

VI. **AND WHEREAS**, in furtherance to taking on Lease the Demised Premises, the Parties had executed a Letter of Intent dated May 4, 2016 (the "**LOI**") setting out the intention of the Parties and the broad terms and conditions in accordance with which the Demised Premises will be granted on lease to the Lessee by the Lessor. In furtherance to and in accordance with the LOI, the Parties are executing this Lease Deed to record the terms and conditions in respect of the lease of the Demised Premises.

**NOW THEREFORE THIS DEED OF LEASE WITNESSETH AND THE PARTIES HERETO AGREE AND DECLARE AS FOLLOWS:**

In consideration of the rent herein reserved and of the covenants on the parts of the Lessee to be performed and observed, the Lessor hereby agrees to grant on lease unto the Lessee and the Lessee agrees to take on lease the Demised Premises on the terms and conditions contained in this Lease Deed with easements, rights and advantages appurtenant thereof from the Handover Date as defined hereunder ("**Lease**").

**1. Handover Date/Possession:**

The Lessor shall handover the premises on or prior to 09-09-2016 or such other date as may be agreed by the Parties ("**Handover Date**"). Prior to the Handover Date, the Lessor shall have received the occupancy certificate from the Bruhat Bengaluru Mahanagara Palike and shall have completed all the Fit-Outs including facade, finished lobbies and operational lifts (passenger and service), with power @ 1.0 KVA for every 100 (One hundred) sq ft leased (including HVAC load) of Super Built-up Area, 100% power back up, high side A/C works including AHUs and firefighting system (fire hydrants and upright sprinklers for the Demised Premises at ceiling level as per National Building Code of India norms).

2. **Tenure of Lease:**

The tenure of lease shall be for a period of 5 years ("**Lease Term**") which shall at the sole option of the Lessee be renewed for 2 (two) further periods of 2 years as laid down in Clause 7.

3. **Lease commencement Date:**

The lease shall commence from the Effective Date ("**Lease Commencement Date**") and shall thereafter be registered.

4. **Rent Commencement Date:**

The Rentals shall commence from the Handover Date of the Fully Fitted out Premises by the Lessor to the Lessee ("**Rent Commencement Date**").

5. **Lock-in Period:**

The lock-in period is for an initial 60 (Sixty) months from the Rent Commencement Date ("**Lock-in Period**").

There shall be no Lock-in Period for the renewal terms of the Lease.

6. **Waiver of Lock-In Period:**

The Lock in Period of 5 years will be waived, in the event that the Lessee, as a result of business growth, opts to lease a larger office space within any of the towers in the Umiya Business Bay at conditions no less favourable than being provided to the Lessee currently in the Building. This will be subject to availability of office space within the building.

7. **Renewal of Lease:**

On expiry of the Lease Term, the Lessee shall have the sole option to renew the lease for further period as mutually agreed between the Parties on the same terms and conditions as outlined herein by way of execution and registration of a fresh lease deed. The Lessee shall provide written notice conveying its intention of such

renewal of the Lease to the Lessor at least 3 (Three) months prior to the expiry of the term of Lease granted hereunder and the Lessee and the Lessor shall execute and register fresh deed of lease for the renewed term. It is hereby clarified that there shall be no lock-in applicable nor shall any additional security deposit be payable by the Lessee for such extended terms.

For any extension of the term beyond 9 years, the Parties shall agree to such extension on the basis of fresh terms and conditions only.

**8. Rentals :**

The warmshell rental for the Demised Premises is Rs 56.5 per sq. ft. ("**Warmshell Rental**") and the fit-out rental is Rs 37.2 per sq. ft. ("**Fit-out Rental**") amounting to a total of **Rs 93.70/- (Rupees Ninety Three and Seventy Paise only)** per square feet of Super Built up Area per month ("**Rental**") which shall be payable on or before the 10<sup>th</sup> (tenth) of the current/applicable month, after appropriate deductions for income tax at source. The Rental shall be paid by cheque or wire transfer in favour

The Lessor shall raise an invoice by the 1<sup>st</sup> (First) of every month for which the Rentals is due clearly identifying the taxes and rates thereof.

**9. Fit-out:**

Fit-outs shall be carried out by the Lessor based on the specifications, layout designs and other inputs provided by the Lessee. The details of the fit outs provided are detailed in Annexure [•].

The minimum capital expenditure on Fit-outs is **Rs. 1500/- per sq. ft.** based on the specifications shared by the Lessor. Any specific or additional requirements by the Lessee will be chargeable additionally.

The Fit-outs amortization period is 7 years from the rent commencement date. Hence no Fit-out Rental will be payable after 7 years.

**10. Enhancement/Escalation of Rentals**

The Warmshell Rental above reserved for the Demised Premises shall be subject to enhancement at the rate of **15% (Fifteen percent) for every 3 (three) years** on the last paid Rentals from the Rent Commencement Date. There shall be no escalation on refundable Security Deposit and Car Parking Rent.

**11. Car Parking Facility and Car Parking Rent**

The Lessor shall provide dedicated 16 (Sixteen) car parking slots in the Basement (Puzzle Car Park), ground Floor and first Floor of the Building charged at **Rs 3000/- (Rupees Three Thousand only)** per Car Park per month which in total amounts to **Rs 48,000 (Rupees Forty Eight Thousand only)** per month (“**Car Parking Rent**”). The allocation for car parks is as follows:

Basement (Puzzle Park): 11 (Eleven)  
Ground Floor: 2 (Two)  
First Floor: 3 (Three)

**12. Interest Free Refundable Security Deposit:**

The Lessee shall pay to the Lessor an interest free Security Deposit of Rs. 1,09,76,955/- (Rupees One Crore Nine Lakhs Seventy Six Lakhs Nine Hundred Fifty Five only) equivalent to the Rental for a period of 10 months (“**Security Deposit**”). A part of the Security Deposit, i.e INR 49,33,305 (Rupees Forty Nine Lakhs Thirty Three Thousand Three Hundred and Five only) has been paid by the Lessee at the time of execution of the LOI **vide wire transfer**. The break up is as follows:

<u>Date Received</u>	<u>Ref No.</u>	<u>Amt in Rs</u>
10-05-2016	NEFTINW-0041215414	14,00,000
12-05-2016	NEFTINW-0041291585	15,00,000
12-05-2016	NEFTINW-0041300879	15,00,000
13-05-2016	NEFTINW-0041371157	5,33,305

The remainder of the Security Deposit amounting to Rs 60,43,650 (Rupees Sixty Lakhs Forty Three Thousand Six Hundred and Fifty only) is hereby paid by the Lessee on the Effective Date. The Lessor hereby confirms receipt of the full Security Deposit.

Upon expiry of the Lease Deed or earlier termination of this Lease Deed, the Lessor shall refund the entire Security Deposit to the Lessee simultaneous to the Lessee handing over the vacant and peaceful possession of the Demised Premises save reasonable wear and tear to the Lessor. In the event of failure to refund the Security Deposit, the Lessor shall be liable to pay interest @ 18% p.a. till actual payment and the Lessee shall be entitled to retain the possession of the Demised Premises without being liable to pay Rental and be exempt from any liability to the Lessor in any manner. However the Lessee is liable to pay for the maintenance, electricity and chiller charges during this duration.

**13. Maintenance Services**

- (i) UMIYA Services shall be the maintenance service provider and the Lessee shall enter into a separate maintenance agreement (“**Maintenance Agreement**”) with Umiya Services (“**Maintenance Service Provider**”). A detailed ‘Scope of Maintenance Services’ has been provided by the Maintenance Service Provider which is annexed as Annexure A.
- (ii) The Maintenance Agreement shall be co-terminus with the Lease Deed for the Demised Premises.
- (iii) The Lessee shall pay the maintenance charges at the rate of **Rs. 7/- (Rupees Seven Only) plus Applicable Taxes** per square feet of Super Built-up Area per month (“**Maintenance Charges**”) of the Demised Premises
- (iv) The Maintenance Charges, Electricity Charges and BTU Charges shall be applicable from Rent Commencement Date.
- (v)
  - a) Maintenance Charges shall be payable monthly on or before the 10th day of each month for the current /applicable month for which it is due upon the issuance of the invoice on 1st of every month.
  - b) Electricity and chiller charges to be paid on or before the 10th day of every month for the previous month upon submission of electricity bill/consumption details.
- (vi) For the computation of Rental and Maintenance Charges, the super built up area shall not include the car parking space.
- (vii) The Maintenance Charges shall be subject to escalation by 5% (five percent) on 1<sup>st</sup> of April every year. The first enhancement shall be on 1<sup>st</sup> April 2017.
- (viii) The Lessee agrees to pay enhancement in the maintenance charges due to any actual increase in the cost subject to the Lessor providing documentation substantiating such increase and the same shall be made applicable to all tenants in the Building.

The Lessee shall during the entire period of Lease attend to all routine day to-day maintenance of the Demised Premises at its own cost.

- (ix) If the Lessee is in default in making the payments towards the Maintenance Charges, Electricity Charges and BTU Charges to the Maintenance Service provider, then the Lessee shall be liable to pay a penalty of 18% interest per annum on the amount due.
- (x) The Lessee shall be provided with chilled water upto the AHU`s in the premises during the normal office hours between 8.00AM to 8.00PM from Monday to Friday at the **BESCOM rate per unit** for BTU (British Thermal Unit) on BESCOM and **Rs. 19.50/- per unit** plus applicable taxes on DG Power (collectively "**BTU Charges**"). If the Lessee requires chilled water supply beyond the timing fixed above, then in such cases, the Lessee shall pay charges on current rates + 20% basis.
- (xi) Electricity consumption (BESCOM/Self-Generated or Renewable Power) to be charged on BESCOM tariffs, DG Power consumption charges @ **Rs 19.50 per unit** plus applicable taxes will be paid by the Lessee (collectively "**Electricity Charges**"). Any transmission loss shall be borne by the Lessee in proportion to the usage.
- (xii) In case the Lessee requires additional power (over and above what is provided above mentioned), the Maintenance Service Provider would facilitate the process with the local power authority and all related costs for the same shall be paid by the Lessee.
- (xiii) The rates calculated are based on the present prevailing rates of the EB Power/HSD (High Speed Diesel). Prices may be revised in case of drastic changes in the market price.
- (xiv) The Lessee shall pay to the Maintenance Service Provider equivalent to one (1) month`s Maintenance Charges, Electrical Charges and BTU Charges, an amount of **Rs. 2,50,000/- (Two Lakhs Fifty Thousand only)** as a deposit ("**Maintenance Deposit**") to the Maintenance Service Provider upon execution of the Maintenance Agreement. This Maintenance Deposit shall be an interest free refundable deposit and shall be refunded by the Maintenance Service Provider in the event of expiry or earlier termination of this Lease Deed and in accordance with the terms of the Maintenance Agreement. The

Maintenance Deposit paid to the Maintenance Service Provider shall be returned forthwith by the Maintenance Service Provider to the Lessee (less any permissible deductions as agreed to in writing by the Lessee), simultaneously with the handing over of the vacant possession of the Demised Premises by the Lessee to the Lessor.

- (xv) The Lessee shall follow the rules and regulations set by the Maintenance Service Provider in the Building Bye-Laws which shall be annexed as Annexure B in the Maintenance Agreement.

**14. Cafeteria/Common Food Court**

The Lessee shall be free to use the common cafeteria and food court, which is being provided at no additional cost to all tenants in the building. There shall be no maintenance charges or utility charges payable by the Lessee for the cafeteria.

**15. Fittings and Fixtures in the Demised Premises and Maintenance:**

- (i) The Lessor shall carry out the Fit-outs in the Demised Premises and hand over the Demised Premises in a fully fitted out condition.
- (ii) The Lessee shall use the Demised Premises carefully and diligently and shall not cause any damage to the Demised Premises and amenities provided therein. However, normal wear and tear is excepted.
- (iii) The Lessee shall be entitled to carry out additional fittings and fixtures in the Demised Premises at its cost, which shall include electrical and communication appliances and any other equipment/fittings, cubicles, partitions etc., required for its activities, after written approval from the Lessor. Such improvements or alterations shall conform to the applicable local building regulations ensuring that no damage is caused to the structure of the building. Upon the expiration or termination of this Lease, the Lessee shall remove all the improvements. The Lessee shall ensure that no damages are caused to the common areas during this activity. However, normal wear and tear is excepted.
- (iv) Any permissions or authorizations required to be obtained such as CEIG approval, BBMP, FIRE etc. for Lessee`s improvements shall be Lessee`s sole responsibility, provided that Lessor will, at Lessee`s cost, provide any assistance or no-objection required for the procurement of such permission or authorization. The certificates that are procured by the Lessee shall be shared with the Maintenance Service Provider for their records.

- (v) The Lessee shall bear the damage and repair cost, if any damage is caused while removing and replacing the fit outs in the Demised Premises by the Lessee. If the Lessee fails to bear this cost then, this cost shall be deducted by the Lessor from the refundable Security Deposit.

**16. Signage**

The Lessee shall be entitled to display its own signs in the lift lobby of the corresponding floor and within the scheduled premises. The name of the Lessee will be displayed on the Building directory fixed at the ground floor lobby provided by Maintenance Service Provider for Umiya Business Bay Tower 2 at no additional charges

**17. Sub-Letting**

The Lessee shall be entitled to sub lease the Lease of the Demised Premises to its parent company or holding company or its group companies with prior written intimation to the Lessor or to third parties with prior written approval of the Lessor, which approval shall not be unreasonably withheld, conditioned or delayed by the Lessor. In the event of such subletting, the Lessee will continue to be responsible for all the obligations under the Lease Deed subject to the Lessor's right not being hampered in any manner and the Lessee's sub lease will automatically be terminated upon the earlier termination or expiry of this Lease Deed.

**18. TAXES AND LEVIES**

a). The Lessor shall bear and pay regularly and punctually, all the past, present and future property taxes, rents, rates, cess, dues, duties and impositions, taxes, statutory dues in regard to the Demised Premises payable to any authority, including but not limited to land tax, building tax, corporation and house tax, local government charges pertaining to the Demised Premises, and the Lessee shall not have any liability whatsoever in this regard. In the event of the Lessor failing to comply with its obligation under this Clause, and there being any demand outstanding, or there being any threat of recovery from any statutory authority with regard to any outstanding amounts to them, or there being any demands raised on the Lessee by the concerned authorities, the Lessee shall communicate to the Lessor about such



demand within a reasonable period of receipt of such notice by the Lessee. Upon receipt of such communication from the Lessee, the Lessor shall pay the amounts so demanded within the stipulated due date, failing which the Lessee shall pay the same to the concerned authority and the same shall be reimbursed to the Lessee by the Lessor up on submission of payment receipt or shall be recovered by the Lessee by way of deduction / adjustment in / from the Rental payable by the Lessee to the Lessor.

b). The Lessee shall bear and pay all applicable service tax. The Lessor shall remit the service tax to the government as required under law, and produce proof of such payment to the Lessee from time to time. The Lessor shall share with the Lessee the service tax registration details. In the event the Lessee receives any notice from any authorities requiring payment of any taxes or any other outgoings, the Lessee shall forward the same to the Lessor as soon as possible. In the event of the Lessor not making any such required payment, the Lessee shall, pursuant to due notice to the Lessor and mutual discussions in this regard, be entitled to make payment of the same and shall thereupon be entitled to deduct the same from the Rental and other charges payable under the terms of this Lease Deed. The Lessor shall indemnify the Lessee for any and all losses incurred on account of demand/notices from any government authorities for non-payment of service tax and other taxes, cess, impositions and statutory dues during the Lease Term. This liability of the Lessor shall continue to hold good even after termination of this Lease Deed.

c). All taxes made applicable on lease rent with respect to the Demised Premises for the tenure of the Lease shall be payable by the Lessee.

All current taxes and any new taxes that may be introduced by the statutory authorities from time to time, shall be made applicable on Rentals with respect to the Demised Premises for the tenure of the lease shall be payable by the Lessee.

#### **19. USE OF THE DEMISED PREMISES**

a). The Lessee shall have an exclusive and lawful use and occupation of the Demised Premises during the Lease Term. The Lessee shall have unlimited access to the Demised Premises 24 hours a day, 7 days a week and 365 days a year, throughout the Lease Term and shall use the Demised Premises for the purpose of its business purpose as may be permissible in law and shall not carry out any illegal activity. Further the Lessee shall not store any hazardous, contraband or inflammable articles in the Demised Premises other than such articles required by the Lessee for its business purpose.

- b). The Lessee shall have the Demised Premises customs bonded, in part or in full at its sole discretion for carrying out its operations.
- c). Upon expiry or termination of the lease, the Lessee shall get the Demised Premises de-bonded before handover to the Lessor, till which time the Demised Premises wouldn't be considered as handed over and all charges with respect to the same shall be payable by the Lessee.
- d). The Lessee shall, at a cost, be entitled to use a demarcated portion of the roof of the Building to install, operate and maintain satellite dish or other devices for telecommunications or other equipment solely for the Lessee's use within the Demised Premises and the Building. If the Lessee elects to install the satellite dish, the Lessee will install the same at the Lessee's sole cost and expense, in a suitable location identified by the Maintenance Service Provider before the Rent Commencement Date. However, the above shall be subject to the structural feasibility. If any tax, levy, penalty, fine, surcharge etc., is imposed by any authorities concerned for the Lessee's installation of the said satellite dish(s), microwave antenna(s) and other equipment otherwise than as permitted by law, the same shall be borne and paid by the Lessee directly to the authorities concerned with written permission and marked position.

**20. THE LESSOR'S REPRESENTATIONS, WARRANTIES AND COVENANTS**

- a). The Lessor is the sole absolute owner and has clear title over the Demised Premises and has the right and authority to Lease the Demised Premises on the terms contained herein for commercial use thereof by the Lessee and the Lessor has obtained all the necessary statutory permissions, approvals, sanctions and clearance from the concerned authorities, and the Lessor has met all building code and occupancy requirements for the Lessee's use. The Lessors shall indemnify and keep the Lessee indemnified in respect to the above.
- b). The Lessor has the full right and authority to execute this Lease Deed and to grant the Lease of the Demised Premises.

- c). The Demised Premises is free from any pending litigation and any encumbrance, whatsoever and the Lessor has not entered into any arrangement and/or agreement with any third person/persons for providing rights, use and occupation of the Demised Premises to which the Lessee is entitled to under this Lease Deed.
- d). The Lessor has obtained requisite municipal permissions, sanctions and approvals from all concerned authorities for use of the Demised Premises for the commercial business purpose to suit the business activities of the Lessee as permitted under laws.
- e). That the Building is constructed strictly in accordance with the building plan, sanctioned and approved by the concerned authorities. The Lessor has not committed any breach of any statutory/municipal regulations or contractual obligations with respect to the Demised Premises.
- f). The Lessor has obtained all the required permission for utilities in the Demised Premises and all required clearance/approvals from the Central/State/local authorities for the use of the Demised Premises by the Lessee.
- g). The Lessor shall co-operate with the Lessee by way of issuing NOC`s providing any documents in connection with the Demised Premises to enable the Lessee to get the Demised Premises registered under the provisions of the various laws as applicable.
- h). The Lessee paying the rent and other charges payable, if any, regularly and duly observing and performing the terms and conditions herewith, shall be entitled for a quiet and peaceful enjoyment and possession of the Demised Premises during the Lease tenure, without any obstructions interruption or disturbance from the Lessor or any person claiming through or in trust for the Lessor or otherwise.
- i). The Lessor shall be responsible and liable to comply with all applicable laws for the possession, installation and use of the furniture, fixtures and facilities in the Demised Premises.
- j). The Lessor shall ensure that the Lessee at all times during the currency of this Lease enjoys exclusive and peaceful possession of the Demised Premises.

- k). The Lessor shall not object to the Lessee engaging its own security personnel in respect of the Demised Premises during the Lease Term who shall be based in the Demised Premises
- l). The Lessor shall accommodate any requests by lessee for access to the premises for getting the premises ready by installation of UPS, getting internet connectivity etc.
- m). The Lessor does not have any liability for any taxes, or any interest or penalty in respect of the Demised Premises, of any nature that may be assessed against the Lessee or become a lien against the Demised Premises. All property taxes, electricity, water charges and all other outgoings in respect of the Demised Premises prior to the handover of the Demised Premises have been properly remitted by the Lessor and there are no arrears, outstanding dues etc. as on the Lease Commencement Date.
- n). The Lessor shall observe and perform all the terms and necessary conditions, agreements, covenants and provisions on which the Lessee occupies the Demised Premises and shall not do, omit or suffer to be done anything whereby the Lessee's right to occupy the Demised Premises is hindered, forfeited or affected in any prejudicial manner.
- o). During the Lease Term, the Lessor shall ensure that entrance is provided to the Lessee for the Demised Premises to ingress and egress without causing hindrance or obstructing the free movement. The entrance and passage so provided shall be common and will be shared with other tenants of the Building and to be used by the Lessee, its employees, visitors, agents and contractors.
- p). Except for the period of subsistence of a Force Majeure Event, the Lessor shall at all times, from the Lease Commencement Date to the expiry of the Lease Term or the prior determination thereof, ensure that the Lessee enjoys quiet, unhindered and peaceful possession of the Demised Premises according to the terms of this Lease Deed which includes the provision of all amenities such as power (1.0 KVA of power for every 100 square feet of the Demised Premises including air conditioning load) and water supply, 100% backup power, lifts, escalators, lighting, security, air conditioning etc. at all times. The Lessor shall at its own cost attend to all major structural repairs of within the Demised Premises within 5 (five) days of such defect / damage being notified by the Lessee to the Lessor in writing and at their cost and ensure the replacement of the defect/damaged parts, unless the damage is caused due to the negligence of the Lessee. In case the Lessor fails to arrange for the repairs within the period of 5 (five) days thereof, the Lessee shall be at liberty to carry out the same at its cost and recover the entire cost from the Lessor, by way of appropriation/ deduction/ adjustment in / from the Rental payable by the Lessee to the Lessor from time to time subject to receipt of bills incurred by them.

q). The non-fulfillment of any of the above representations and warranties shall be deemed as breach of this Lease Deed by the Lessor, unless (i) the Lessee is solely responsible for such breach; or (ii) such breach is caused by a Force Majeure Event.

**21. THE LESSEE'S COVENANTS**

The Lessee hereby covenants with the Lessor as follows:

- a). To observe and perform all the terms and conditions, covenants and provisions of the Lease Deed to be observed and performed by the Lessee;
- b). To regularly pay rent hereby reserved at the time and in the manner aforesaid; subject to deduction of income tax at source, as applicable under the Income Tax Act, 1961, within the time stipulated herein and issue appropriate TDS Certificate to the Lessor for tax deducted at source;
- c). To use the Demised Premises only for business and allied purposes and not for any other illegal purpose;
- d). On termination or expiry of the Lease the Lessee shall be required to reinstate the Demised Premises to the original condition. The Lessee shall, at the expiry or termination of the Lease Deed, have the right to remove any and all Lessee's improvements from the Demised Premises. However, the Lessee shall be liable to pay Lessor for any damages caused to the Demised Premises while removing their improvements from the Demised Premises, as mutually agreed between the Parties. The Lessor shall not be liable to reimburse the cost of the Lessee's property which remains in the Demised Premises.
- e). Not to do or suffer to be done anything whereby the Lessor's rights in respect of Demised Premises or any part thereof are prejudiced or adversely affected.
- f). To permit the Lessor, its representatives and/or agents after receipt of twenty four (24) hours prior notice, to enter into the Demised Premises during working hours for the purpose of inspection of the Demised Premises and to carry out any repairs to the Demised Premises.

g). The Lessee shall keep the passages, common areas free from any debris, construction materials, security desks, office equipment, or anything that hinders free movement.

i). The Lessee shall register this Lease Deed with the Jurisdictional sub-registrar's office and shall pay stamp duty, registration charges and any other charges for the purpose of registering this Lease Deed.

**22. MUTUAL INDEMNITY**

a). The Lessor shall indemnify, defend and hold the Lessee harmless during Lease Term against any demands, claims, actions or proceedings that may be initiated against the Lessee or any losses, claims, charges, costs, expenses, damages suffered or incurred by the Lessee or any judgments or orders passed against the Lessee due to (i) any defect in title of Lessor to the Demised Premises; (ii) any misrepresentation or breach of any of the representations of the Lessor; (iii) any breach or non-fulfilment of any condition, covenant or undertaking of the Lessor and (iv) non-compliance with permissions/clearances/ taxes and other statutory dues required for occupation of the Demised Premises, resulting in Lessee being prevented from using the Demised Premises.

b). Lessor shall indemnify, defend and hold the Lessee harmless during the Lease Term against any demands, claims, actions or proceedings that may be initiated against the Lessee, and/ or in respect of the Demised Premises.

c). Lessee shall indemnify, defend and hold the Lessor harmless during Lease Term against any claims, damages, charges, expenses, costs, losses or injuries arising out of or relating to: (i) any breach of terms of the Lease; and (ii) any act or omission of the Lessee which results in violation of its legal, statutory, regulatory or other duty or obligation in connection with the use of Demised Premises.

d). Save and except any liquidated damages which may be agreed between the Parties in the future, neither Party will be liable to the other for any incidental, consequential, penal, exemplary or the like damages, or any direct or indirect loss of profits or any claim for loss of opportunity or any action in tort even if advised of the possibility of such claims.

**23. Assignment/Subsequent Transfer**

The Lessee may as a result of an acquisition; reorganization; definitive scheme, arrangement, undertaking or agreement with respect to any of its assets or liabilities; merger; de-merger or consolidation assign / novate this Lease to any third party with the prior approval of the Lessor at any time. In case of such assignment / novation, the third party shall be bound by all the terms of the Lease Deed and the Lessee shall be released from all obligations under the lease.

The Lessor shall be entitled to assign / sell and/transfer its rights in the Demised Premises as a whole or in part or parts thereof to any one person or more than one person at any time during the period of this Lease. The Lessor shall attorn to such transferee or transferees on the same terms and conditions as are contained herein and also ensure that the transferee or transferees provide No Objection Certificates as annexed to the Lessee for enabling the Lessee to continue to be in possession of the Demised Premises. This terms and conditions of the Lease Deed shall be binding on such transferee or transferees and such transferee or transferees shall also acknowledge the refundable Security Deposit and Maintenance Deposit paid by the Lessee to the Lessor whose benefit shall be transferred to such transferee or transferees.

**24. TERMINATION**

- (a) **Termination by the Lessee.** The Lessee shall be entitled to terminate this Lease Deed without assigning any reason by providing notice of 3 (three) months to the Lessor after the Lock-in Period expires.
- (b) **Termination by either Party.** Notwithstanding the Lock In-Period, either Party shall be entitled to terminate this Lease Deed at time during Lease Term if the other Party commits a material breach of any of the terms mentioned in this Lease Deed; provided that such termination shall not be effective unless the non-breaching Party has given a written notice of 30 (thirty) days to the breaching Party setting out the details of such breach to cure the breach and the breaching Party not having cured or rectified such breach.

Upon termination of the lease, the Lessee will hand over the vacant possession of the Demised Premises back to the Lessor subject to the Lessor and the Maintenance Service Provider having paid back the Security Deposit and the Maintenance Deposit to the Lessee in accordance with this Lease Deed. It is clarified that in the event of failure by the Maintenance Service Provider to refund the Maintenance Deposit, the Lessee shall be entitled to recover the same from the Lessor.

25. **COUNTERPARTS:**

This Lease Deed shall be executed and registered in two sets wherein one copy would be with the Lessor and the other with the Lessee.

26. **STAMP DUTY AND REGISTRATION FEES:**

The Lessee shall bear the stamp duty and registration fees and all other incidental expenses related to registration of this Lease Deed.

27. **Applicability of TDS**

The Lessee shall deduct the TDS only on Rentals and Maintenance Charges. TDS is currently not applicable on Electricity and BTU Charges.

28. **Force Majeure:**

Neither party shall be liable for any breach resulting from acts of God in the nature of natural disasters (such as floods, earthquakes, storms), war, insurrection or riots ("**Force Majeure Event**"). The Lessee shall not be liable to pay Rental for such period for which the Demised Premises has been rendered unfit for use until the Demised Premises is restored and reinstated and made ready for use and occupation of the Lessee provided always that if the Demised Premises is not restored and reinstated and made ready for use and occupation within a period of 30 (Thirty) days or any extension thereof, by issuing a prior written notice of 30 days, as required from the date of the happening of any of the aforesaid events, the Lessee shall be at liberty, without prejudice to its rights under any provisions of this Lease Deed, to terminate the Lease in writing and thereupon this Lease Deed shall stand terminated without prejudice to any claim by either party against the other in respect of any breach of terms and conditions of this Lease Deed. The refundable Security Deposit along with any other deposit paid shall be repaid by the Lessor (including the Maintenance Deposit by the Maintenance Service provider) to the Lessee without demur, upon such termination.

If the Lessee requires the Lessor to restore the Demised Premises the Lessor shall endeavor to the satisfaction of the Lessee, to restore and reinstate the Demised Premises within the shortest possible time taking into consideration the nature of repairs required to be done, during which time the rent and other charges pertaining to use of Demised Premises shall not be payable until the Demised Premises is made ready for use and occupation by the Lessee. In the event the Demised Premises or any part thereof has been rendered unfit for use during such period, the Lessee shall be at liberty to request the Lessor to provide alternative premises to the sole satisfaction of the Lessee.



**29. INSURANCE**

The Lessor shall, at its own cost, keep in force adequate insurance covered to protect any loss and damage due to natural disasters, fire accident, civil commotion, riot, storm, tempest, flood or an act of God causing damage to the building and all the fixtures and furniture installed by the Lessor in the Demised Premises. The Lessor shall be responsible for the insurance of the fixtures, furniture and equipment in the Demised Premises. The Lessor shall give a photocopy of the insurance policy and latest premium-paid receipts to the Lessee.

**30. Dispute Resolution**

In the event of any dispute or difference arising between the Lessor and the Lessee hereto concerning or relating to the interruption of these presents or the interpretation of effect of any provisions thereof or relating to the liability or obligation on the part of any of the parties hereto, the same shall be referred to arbitration of three arbitrators, one appointed by the Lessor and the second arbitrator appointed by the Lessee, and the third arbitrator being appointed by the two arbitrators nominated by both Lessor and the Lessee. The award passed by the majority of arbitrators shall be binding upon both the parties. The arbitration shall be held in Bangalore and in accordance with and subject to the provisions of the Arbitration and Conciliation Act, 1996 or any statutory modifications or re-enactments thereof for the time being in force. The arbitration proceedings shall be conducted in English.

Subject to the preceding paragraph, the courts in Bangalore shall have exclusive jurisdiction over any dispute, differences or claims arising out of this Lease.

**31. Governing Law**

This Lease Deed and any other document connected to this Lease Deed between the Parties shall be governed and construed in accordance with the laws of the Republic of India.

**32. Entire Deed**

This Lease Deed shall constitute the entire agreement and understanding with respect to the subject matter hereof and shall supersede all prior discussions, representations or agreements between the Parties, including but not limited to the LOI.

**33. AMENDMENTS AND WAIVERS**

No modification, amendment or waiver of any of the provisions of this Lease Deed shall be effective unless made in writing specifically referring to this Lease Deed and duly signed by each of the Parties.

**34. Notices:**

Any notice to be issued either to the Lessee or to the Lessor shall be addressed and sent to their respective addresses mentioned in this Lease Deed by R.P.A.D or by certificate of posting or by personal hand delivery to the addressees of the Parties shown in this Lease Deed or by electronic mail to the following email address:

Lessor:srikanth@umiyaindia.com

Lessee:biju.kunjukunju@cambiumnetworks.com

or to such other address as either Party may, for this purpose have intimated to the other in writing.

**SCHEDULE 'A'**  
**(Description of the Large Property)-**

All that commercially converted lands having Khata No.172/2 issued by the Bruhat Bangalore Mahanagara Palike (BBMP), comprising of lands in Survey No. 10/1A, measuring 0.247 Guntas, Survey No. 10/1B, measuring 1 Acre and 3.745 Guntas and Survey No. 10/2, measuring 13.05 Guntas, Survey No. 10/3, Measuring 1 Acre 0.500 Guntas and Survey No. 11, measuring 18.261 in all measuring 2 Acres 35.80 Guntas, with 10.4572 Guntas of undivided share in the internal roads and common entrance in the Cessna Business Park (out of 1 Acre 27.32 Guntas), all of them situated at Kadubeesanahalli Village, Varthur Hobli, Bangalore East Taluk and bounded as under:-

East : Internal Road;  
West: Lands in Survey No. 10/1B  
North: Lands in Survey No. 10/1A, 10/2 and 11  
South: Cessna Business Park

**SCHEDULE - 'B'**

**(Description of part of the property sold to Mr. Chatrabhuj Bassarmal Pardhanani)**

All that commercially converted lands having Khata No. 172/2/1, Kadubeesanahalli, Bangalore issued by the Bruhat Bangalore Mahanagara Palike (BBMP) measuring 56,200 sft of this property to Mr. Chatrabhuj Bassarmal Pardhanani along with 5075 sft undivided share in the internal roads and common entrance in the Cessna Business Park, Comprising of Lands in Survey No. 10/1B measuring 22188 sft, Survey No. 10/3 measuring 28,272 sft, Survey No. 11 measuring 5760 sft along with 5075 sft undivided share in the internal roads and common entrance in the Cessna Business Park situated at Kadubeesanahalli Varthur Hobli Bangalore East Taluk and bounded as under

East : Internal Road;  
West: Lands in Survey No. 10/1A  
North: Remaining Land of company bearing Khatha No. 172/2  
South: Cessna Business Park

**SCHEDULE 'C'**

**(Description of the balance portion of property taken up for development)**

All that piece and parcel of commercially converted land bearing Survey Nos. 10/1A, 10/3, 10/1B,10/2 measuring in all about 69,906 sft along with 6,313 sft and Survey No. 11 measuring 76,219 sft undivided share in the internal roads and common entrance in the Cessna Business Park, Comprising of Lands in situated at Kadubeesanahalli Varthur Hobli Bangalore East Taluk

East: Internal Road;  
West: Lands in Survey No. 10/1B  
North: Lands in Survey No. 10/1A, 10/2 and 11 (Business Bay -I);  
South: Property belonging to Mr. Chatrabhuj Bassarmal Pardhanani

**SCHEDULE 'D'**  
**(DEMISED PREMISES)**

**ALL THAT PIECE AND PARCEL** of the building admeasuring – 11715 sq ft of super built up area on the 5<sup>th</sup> (Fifth) Floor, Quadrant 1 of the Building Umiya Business Bay – Tower 2, comprising of 8 levels (2<sup>nd</sup> to 9<sup>th</sup> Floors) of office space along with 16 (Sixteen) Slots of car parking spaces within Cessna Business Park situated on Marathahalli - Sarjapur Outer Ring Road, Bangalore East Taluk 560 037.

**IN WITNESS WHEREOF THE PARTIES HERETO HAVE EXECUTED THIS DEED OF LEASE AT BANGALORE ON THE DAY AND YEAR FIRST ABOVE WRITTEN.**

**LESSOR**

**M/S Umiya Holding Private Limited**

Represented by Mr. Srikanth Reddy, Vice-President, Marketing

**SIGNED SEALED AND DELIVERED** by and on behalf of Cambium Networks Consulting Private Limited the **LESSEE** above named represented by its Authorised Signatory, Mr. Biju Kunjukunju - Senior Director – India Engineering Operations in the presence of:

**WITNESSES:**

- 1.
- 2.

**Annexure A**

**Scope of work for Maintenance Services (by the Service Provider / Developer)**

<b><u>Sl. No</u></b>	<b><u>Description</u></b>
<b>1</b>	<b>Facility Management</b> Charges towards providing Professional Management Services by deputing qualified and experienced to manage the common area of the entire facility <ol style="list-style-type: none"><li>1. Facility Manager</li><li>2. External Building Security</li><li>3. External Façade &amp; Maintenance</li><li>4. Road within the compound housing “the Premises” and the road up to the entrance security kiosk</li></ol>

**2 Engineering Services (For Common Area)**

Charges for professional operation and maintenance services by deputing technically qualifies and experienced

1. Electrical Supervisor & Technicians
2. A/C technicians
3. DG operators
4. Plumber
5. STP Operations

For operating and maintenance of all HT/LT electrical installations, DG sets, A/C units, Fire Alarm and communication systems etc

**3. Common area House – Keeping Service**

Charges for rendering professional house – keeping services by deputing experienced House Keeping Supervisors and Staff for cleaning and maintenance of the common area and outside the premises

**Common area includes:**

Staircases, Lifts, Lift Lobbies, Service Lobbies, Ducts, DGs, Electrical Room, Pump room, OHT and UG sumps

**4 Toilets Maintenance:**

Toilets will be maintained by Lessee within the office space

**5 Maintenance of AHU & Electrical room (within the office floor)**

Maintenance of AHU & Electrical room

**6 Pest & Rodent Control Service**

Charges towards carrying out pest and rodent control treatment for common areas.

**7 Landscaping Services**

Charges towards deployment of gardener for maintaining the landscape area

**8 AMC Charges**

1. DG
2. A/C Chillers and AHU
3. Transformers
4. Electrical Panels
5. Security System ( in the common area )
6. Lifts
7. HSD Yard
8. Pumps

**9 Power Charges of common areas of the building proportionate on the super built up area leased by the tenant shall be included in this scope of maintenance**

**LEASE**  
**BETWEEN**  
**SILICON VALLEY CENTER OFFICE LLC**  
**AND**  
**CAMBIUM NETWORKS, INC.**

**LEASE**

THIS LEASE is made as of December 4, 2017, by and between **SILICON VALLEY CENTER OFFICE LLC**, a Delaware limited liability company, hereafter called "**Landlord**," and **CAMBIUM NETWORKS, INC.**, a Delaware corporation, hereafter called "**Tenant**."

**ARTICLE 1. BASIC LEASE PROVISIONS**

Each reference in this Lease to the "**Basic Lease Provisions**" shall mean and refer to the following collective terms, the application of which shall be governed by the provisions in the remaining Articles of this Lease.

1. **Tenant's Trade Name:** N/A
2. **Premises:** Suite No. 220 (The Premises are more particularly described in Section 2.1).  
**Address of Building:** 2590 N. First Street, San Jose, CA 95131  
**Project Description:** Silicon Valley Center (as shown on **Exhibit Y** to this Lease)
3. **Use of Premises:** General office and for no other use.
4. **Estimated Commencement Date:** January 1, 2018
5. **Lease Term:** 48 months, plus such additional days as may be required to cause this Lease to expire on the final day of the calendar month.
6. **Basic Rent:**

<u>Months of Term or Period</u>	<u>Monthly Rate Per Rentable Square Foot</u>	<u>Monthly Basic Rent (rounded to the nearest dollar)</u>
1 to 12	\$ 3.10	\$ 27,358.00
13 to 24	\$ 3.19	\$ 28,152.00
25 to 36	\$ 3.29	\$ 29,034.00
37 to 48	\$ 3.39	\$ 29,917.00

Notwithstanding the above schedule of Basic Rent to the contrary, as long as Tenant is not in Default (as defined in Section 14.1) under this Lease, Tenant shall be entitled to an abatement of 3 full calendar months of Basic Rent in the aggregate amount of \$82,074.00 (i.e. \$27,358.00 per month) (the "**Abated Basic Rent**") for the initial 2<sup>nd</sup>, 3<sup>rd</sup> and 4<sup>th</sup> full calendar months of the Term (the "**Abatement Period**"). In the event Tenant Defaults at any time during the Term, which Default is not cured after applicable notice and cure period, all Abated Basic Rent shall immediately become due and payable. The payment by Tenant of the Abated Basic Rent in the event of a Default shall not limit or affect any of Landlord's other rights, pursuant to this Lease or at law or in equity. Only Basic Rent shall be abated during the Abatement Period and all other additional rent and other costs and charges specified in this Lease shall remain as due and payable pursuant to the provisions of this Lease.

7. **Expense Recovery Period:** Every twelve month period during the Term (or portion thereof during the first and last Lease years) ending June 30.  
**Project Cost Base:** Project Costs incurred by Landlord during the Expense Recovery Period ended June 30, 2018.  
**Property Tax Base:** Property Taxes incurred by Landlord during the Expense Recovery Period ended June 30, 2018.
8. **Floor Area of Premises:** approximately 8,825 rentable square feet  
**Floor Area of Building:** approximately 73,242 rentable square feet
9. **Security Deposit:** \$32,908.00
10. **Broker(s):** Irvine Realty Company and CBRE, Inc. (collectively, "**Landlord's Broker**") is the agent of Landlord exclusively and CBRE/San Jose ("**Tenant's Broker**") is the agent of Tenant exclusively.
11. **Parking:** 29 parking spaces in accordance with the provisions set forth in **Exhibit F** to this Lease.

12. **Address for Payments and Notices:**

**LANDLORD**

**TENANT**

Payment Address:

SILICON VALLEY CENTER OFFICE LLC  
P.O. Box #841149  
San Francisco, CA 94139-1149

CAMBIUM NETWORKS, INC.  
2590 N. First Street, Suite 220  
San Jose, CA 95131

Notice Address:

THE IRVINE COMPANY LLC  
550 Newport Center Drive  
Newport Beach, CA 92660  
Attn: Senior Vice President, Property Operations  
Irvine Office Properties

with a copy of notices to:

THE IRVINE COMPANY LLC  
P.O. Box 39000  
San Francisco, CA, 94139-0001  
Attn: Senior Vice President, Property Operations  
Irvine Office Properties

**LIST OF LEASE EXHIBITS** (All exhibits, riders and addenda attached to this Lease are hereby incorporated into and made a part of this Lease):

Exhibit A	Description of Premises
Exhibit B	Operating Expenses
Exhibit C	Utilities and Services
Exhibit D	Tenant's Insurance
Exhibit E	Rules and Regulations
Exhibit F	Parking
Exhibit G	Additional Provisions
Exhibit H	Hazardous Materials Disclosure Statement
Exhibit X	Work Letter
Exhibit Y	Project Description



## ARTICLE 2. PREMISES

**2.1. LEASED PREMISES.** Landlord leases to Tenant and Tenant leases from Landlord the Premises shown in **Exhibit A** (the “**Premises**”), containing approximately the floor area set forth in Item 8 of the Basic Lease Provisions (the “**Floor Area**”). The Premises are located in the building identified in Item 2 of the Basic Lease Provisions (the “**Building**”), which is a portion of the project described in Item 2 (the “**Project**”). Landlord and Tenant stipulate and agree that the Floor Area of Premises set forth in Item 8 of the Basic Lease Provisions is correct.

**2.2. ACCEPTANCE OF PREMISES.** Tenant acknowledges that neither Landlord nor any representative of Landlord has made any representation or warranty with respect to the Premises, the Building or the Project or the suitability or fitness of either for any purpose, except as set forth in this Lease. Tenant acknowledges that the flooring materials which may be installed within portions of the Premises located on the ground floor of the Building may be limited by the moisture content of the Building slab and underlying soils. The taking of possession or use of the Premises by Tenant for any purpose other than construction shall conclusively establish that the Premises and the Building were in satisfactory condition and in conformity with the provisions of this Lease in all respects, except for those matters which Tenant shall have brought to Landlord’s attention on a written punch list. The punch list shall be limited to any items required to be accomplished by Landlord under the Work Letter (if any) attached as **Exhibit X**, and shall be delivered to Landlord within 30 days after the Commencement Date (as defined herein). If there is no Work Letter, or if no items are required of Landlord under the Work Letter, by taking possession of the Premises Tenant accepts the improvements in their existing condition, and waives any right or claim against Landlord arising out of the condition of the Premises. Nothing contained in this Section 2.2 shall affect the commencement of the Term or the obligation of Tenant to pay rent. Landlord shall diligently complete all punch list items of which it is notified as provided above.

## ARTICLE 3. TERM

**3.1. GENERAL.** The term of this Lease (“**Term**”) shall be for the period shown in Item 5 of the Basic Lease Provisions. The Term shall commence (“**Commencement Date**”) on the earlier of (a) the date the Premises are deemed “ready for occupancy” (as hereinafter defined) and possession thereof is delivered to Tenant, or (b) the date Tenant commences its regular business activities within the Premises. Promptly following request by Landlord, the parties shall memorialize on a form provided by Landlord (the “**Commencement Memorandum**”) the actual Commencement Date and the expiration date (“**Expiration Date**”) of this Lease; should Tenant fail to execute and return the Commencement Memorandum to Landlord within 5 business days (or provide specific written objections thereto within that period), then Landlord’s determination of the Commencement and Expiration Dates as set forth in the Commencement Memorandum shall be conclusive. The Premises shall be deemed “**ready for occupancy**” when Landlord, to the extent applicable, has substantially completed all the work required to be completed by Landlord pursuant to the Work Letter (if any) attached to this Lease but for minor punch list matters, and has obtained the requisite governmental approvals for Tenant’s occupancy in connection with such work.

**3.2. DELAY IN POSSESSION.** If Landlord, for any reason whatsoever, cannot deliver possession of the Premises to Tenant on or before the Estimated Commencement Date set forth in Item 4 of the Basic Lease Provisions, this Lease shall not be void or voidable nor shall Landlord be liable to Tenant for any resulting loss or damage. However, Tenant shall not be liable for any rent until the Commencement Date occurs as provided in Section 3.1 above, except that if Landlord’s failure to substantially complete all work required of Landlord pursuant to Section 3.1(i) above is attributable to any action or inaction by Tenant (including without limitation any Tenant Delay described in the Work Letter, if any, attached to this Lease), then the Premises shall be deemed ready for occupancy, and Landlord shall be entitled to full performance by Tenant (including the payment of rent), as of the date Landlord would have been able to substantially complete such work and deliver the Premises to Tenant but for Tenant’s delay(s).

## ARTICLE 4. RENT AND OPERATING EXPENSES

**4.1. BASIC RENT.** From and after the Commencement Date, Tenant shall pay to Landlord without deduction or offset a Basic Rent for the Premises in the total amount shown (including subsequent adjustments, if any) in Item 6 of the Basic Lease Provisions (the “**Basic Rent**”). If the Commencement Date is other than the first day of a calendar month, any rental adjustment shown in Item 6 shall be deemed to occur on the first day of the next calendar month following the specified monthly anniversary of the Commencement Date. The Basic Rent shall be due and payable in advance commencing on the Commencement Date and continuing thereafter on the first day of each successive calendar month of the Term, as prorated for any partial month. No demand, notice or invoice shall be required. An installment in the amount of 1 full month’s Basic Rent at the initial rate specified in Item 6 of the Basic Lease Provisions shall be delivered to Landlord concurrently with Tenant’s execution of this Lease and shall be applied against the Basic Rent first due hereunder; the next installment of Basic Rent shall be due on the first day of the fifth calendar month of the Term, which installment shall, if applicable, be appropriately prorated to reflect the amount prepaid for that calendar month.

**4.2. OPERATING EXPENSES.** Tenant shall pay Tenant’s Share of Operating Expenses in accordance with **Exhibit B** of this Lease, such share being the amount, if any, by which Tenant’s Share of Project Costs exceeds Tenant’s Share of the “Project Cost Base” (set forth in Item 7 of the Basic Lease Provisions) and also the amount, if any, by which Tenant’s Share of Property Taxes exceeds Tenant’s Share of the “Property Tax Base” (set forth in Item 7 of the Basic Lease Provisions) for each applicable Expense Recovery Period during the Term of this Lease.

**4.3. SECURITY DEPOSIT.** Concurrently with Tenant's delivery of this Lease, Tenant shall deposit with Landlord the sum, if any, stated in Item 9 of the Basic Lease Provisions (the "**Security Deposit**"), to be held by Landlord as security for the full and faithful performance of Tenant's obligations under this Lease, to pay any rental sums, including without limitation such additional rent as may be owing under any provision hereof, and to maintain the Premises as required by Sections 7.1 and 15.2 or any other provision of this Lease. Upon any breach of the foregoing obligations by Tenant, Landlord may apply all or part of the Security Deposit as full or partial compensation. If any portion of the Security Deposit is so applied, so long as the Lease Term has more than one month remaining on its Term, Tenant shall within 5 days after written demand by Landlord deposit cash with Landlord in an amount sufficient to restore the Security Deposit to its original amount. Landlord shall not be required to keep the Security Deposit separate from its general funds, and Tenant shall not be entitled to interest on the Security Deposit. In no event may Tenant utilize all or any portion of the Security Deposit as a payment toward any rental sum due under this Lease. Any unapplied balance of the Security Deposit shall be returned to Tenant or, at Landlord's option, to the last assignee of Tenant's interest in this Lease within 30 days following the termination of this Lease and Tenant's vacation of the Premises. Tenant hereby waives the provisions of Section 1950.7 of the California Civil Code, or any similar or successor laws now or hereafter in effect, in connection with Landlord's application of the Security Deposit to prospective rent that would have been payable by Tenant but for the early termination due to Tenant's Default (as defined herein).

## ARTICLE 5. USES

**5.1. USE.** Tenant shall use the Premises only for the purposes stated in Item 3 of the Basic Lease Provisions and for no other use whatsoever. The uses prohibited under this Lease shall include, without limitation, use of the Premises or a portion thereof for (i) offices of any agency or bureau of the United States or any state or political subdivision thereof; (ii) offices or agencies of any foreign governmental or political subdivision thereof; or (iii) schools, temporary employment agencies or other training facilities which are not ancillary to corporate, executive or professional office use. Tenant shall not do or permit anything to be done in or about the Premises which will in any way interfere with the rights or quiet enjoyment of other occupants of the Building or the Project, or use or allow the Premises to be used for any unlawful purpose, nor shall Tenant permit any nuisance or commit any waste in the Premises or the Project. Tenant shall not perform any work or conduct any business whatsoever in the Project other than inside the Premises. Tenant shall comply at its expense with all present and future laws, ordinances and requirements of all governmental authorities that pertain to Tenant or its use of the Premises, and with all energy usage reporting requirements of Landlord. Pursuant to California Civil Code § 1938, Landlord hereby states that the Premises have not undergone inspection by a Certified Access Specialist (CASp) (defined in California Civil Code § 55.52(a)(3)). Pursuant to Section 1938 of the California Civil Code, Landlord hereby provides the following notification to Tenant: "A Certified Access Specialist (CASp) can inspect the subject premises and determine whether the subject premises comply with all of the applicable construction-related accessibility standards under state law. Although state law does not require a CASp inspection of the subject premises, the commercial property owner or lessor may not prohibit the lessee or tenant from obtaining a CASp inspection of the subject premises for the occupancy or potential occupancy of the lessee or tenant, if requested by the lessee or tenant. The parties shall mutually agree on the arrangements for the time and manner of the CASp inspection, the payment of the fee for the CASp inspection, and the cost of making any repairs necessary to correct violations of construction related accessibility standards within the premises." If Tenant requests to perform a CASp inspection of the Premises, Tenant shall, at its cost, retain a CASp approved by Landlord (provided that Landlord may designate the CASp, at Landlord's option) to perform the inspection of the Premises at a time agreed upon by the parties. Tenant shall provide Landlord with a copy of any report or certificate issued by the CASp (the "**CASp Report**") and Tenant shall, at its cost, promptly complete any modifications necessary to correct violations of construction related accessibility standards identified in the CASp Report, notwithstanding anything to the contrary in this Lease. Tenant agrees to keep the information in the CASp Report confidential except as necessary for the Tenant to complete such modifications.

**5.2. SIGNS.** Except for Landlord's standard suite signage identifying Tenant's name and/or logo, Tenant shall have no right to maintain signs in any location in, on or about the Premises, the Building or the Project and shall not place or erect any signs that are visible from the exterior of the Building. The size, design, graphics, material, style, color and other physical aspects of any permitted sign shall be subject to Landlord's written determination, as determined solely by Landlord, prior to installation, that signage is in compliance with any covenants, conditions or restrictions encumbering the Premises and Landlord's signage program for the Project, as in effect from time to time and approved by the City in which the Premises are located ("**Signage Criteria**"). Prior to placing or erecting any such signs, Tenant shall obtain and deliver to Landlord a copy of any applicable municipal or other governmental permits and approvals, except to Landlord's standard suite signage. Tenant shall be responsible for all costs of any permitted sign, including, without limitation, the fabrication, installation, maintenance and removal thereof and the cost of any permits therefor, except that Landlord shall pay for the initial installation costs only of the standard suite signage. If Tenant fails to maintain its sign in good condition, or if Tenant fails to remove same upon termination of this Lease and repair and restore any damage caused by the sign or its removal, Landlord may do so at Tenant's expense. Landlord shall have the right to temporarily remove any signs in connection with any repairs or maintenance in or upon the Building. The term "**sign**" as used in this Section shall include all signs, designs, monuments, displays, advertising materials, logos, banners, projected images, pennants, decals, pictures, notices, lettering, numerals or graphics.

**5.3 HAZARDOUS MATERIALS.** Tenant shall not generate, handle, store or dispose of hazardous or toxic materials (as such materials may be identified in any federal, state or local law or regulation) in the Premises or Project without the prior written consent of Landlord; provided that the foregoing shall not be deemed to proscribe the use by Tenant of customary office supplies in normal quantities so long as such use comports with all applicable laws. Tenant acknowledges that it has read, understands and, if applicable, shall comply with the provisions of **Exhibit H** to this Lease, if that Exhibit is attached.

## ARTICLE 6. LANDLORD SERVICES

**6.1. UTILITIES AND SERVICES.** Landlord and Tenant shall be responsible to furnish those utilities and services to the Premises to the extent provided in **Exhibit C**, subject to the conditions and payment obligations and standards set forth in this Lease. Landlord shall not be liable for any failure to furnish any services or utilities when the failure is the result of any accident or other cause beyond Landlord's reasonable control, nor shall Landlord be liable for damages resulting from power surges or any breakdown in telecommunications facilities or services. Landlord's temporary inability to furnish any services or utilities shall not entitle Tenant to any damages, relieve Tenant of the obligation to pay rent or constitute a constructive or other eviction of Tenant, except that Landlord shall diligently attempt to restore the service or utility promptly. Tenant shall comply with all rules and regulations which Landlord may reasonably establish for the provision of services and utilities, and shall cooperate with all reasonable conservation practices established by Landlord. Landlord shall at all reasonable times have free access to all electrical and mechanical installations of Landlord.

**6.2. OPERATION AND MAINTENANCE OF COMMON AREAS.** During the Term, Landlord shall operate all Common Areas within the Building and the Project. The term "**Common Areas**" shall mean all areas within the Building and other buildings in the Project which are not held for exclusive use by persons entitled to occupy space, including without limitation parking areas and structures, driveways, sidewalks, landscaped and planted areas, hallways and interior stairwells not located within the premises of any tenant, common electrical rooms, entrances and lobbies, elevators, and restrooms not located within the premises of any tenant.

**6.3. USE OF COMMON AREAS.** The occupancy by Tenant of the Premises shall include the use of the Common Areas in common with Landlord and with all others for whose convenience and use the Common Areas may be provided by Landlord, subject, however, to compliance with Rules and Regulations described in Article 17 below. Landlord shall at all times during the Term have exclusive control of the Common Areas, and may restrain or permit any use or occupancy, except as otherwise provided in this Lease or in Landlord's rules and regulations. Tenant shall keep the Common Areas clear of any obstruction or unauthorized use related to Tenant's operations. Landlord may temporarily close any portion of the Common Areas for repairs, remodeling and/or alterations, to prevent a public dedication or the accrual of prescriptive rights, or for any other reasonable purpose. Landlord's temporary closure of any portion of the Common Areas for such purposes shall not deprive Tenant of reasonable access to the Premises.

**6.4. CHANGES AND ADDITIONS BY LANDLORD.** Landlord reserves the right to make alterations or additions to the Building or the Project or to the attendant fixtures, equipment and Common Areas, and such change shall not entitle Tenant to any abatement of rent or other claim against Landlord. No such change shall deprive Tenant of reasonable access to or use of the Premises.

## ARTICLE 7. REPAIRS AND MAINTENANCE

**7.1. TENANT'S MAINTENANCE AND REPAIR.** Subject to Articles 11 and 12, Tenant at its sole expense shall make all repairs necessary to keep the Premises and all improvements and fixtures therein in good condition and repair. Notwithstanding Section 7.2 below, Tenant's maintenance obligation shall include without limitation all appliances, interior glass, doors, door closures, hardware, fixtures, within the premises, electrical, plumbing, equipment installed in the Premises and all Alterations constructed by Tenant pursuant to Section 7.3 below, together with any supplemental HVAC equipment servicing only the Premises. All repairs and other work performed by Tenant or its contractors shall be subject to the terms of Sections 7.3 and 7.4 below. Alternatively, should Landlord or its management agent agree to make a repair on behalf of Tenant and at Tenant's request, Tenant shall promptly reimburse Landlord as additional rent for all reasonable costs incurred (including the standard supervision fee) upon submission of an invoice.

**7.2. LANDLORD'S MAINTENANCE AND REPAIR.** Subject to Articles 11 and 12, Landlord shall provide service, maintenance and repair with respect to the heating, ventilating and air conditioning ("**HVAC**") equipment of the Building (exclusive of any supplemental HVAC equipment servicing only the Premises) fire extinguisher equipment installed in the Building, and shall maintain in good repair the Common Areas, roof, foundations, footings, the exterior surfaces of the exterior walls of the Building (including exterior glass), and the structural, electrical, mechanical and plumbing systems of the Building (including elevators, if any, serving the Building), except to the extent provided in Section 7.1 above. Landlord need not make any other improvements or repairs except as specifically required under this Lease, and nothing contained in this Section 7.2 shall limit Landlord's right to reimbursement from Tenant for maintenance, repair costs and replacement costs as provided elsewhere in this Lease. Notwithstanding any provision of the California Civil Code or any similar or successor laws to the contrary, Tenant understands that it shall not make repairs at Landlord's expense or by rental offset. Except as provided in Section 11.1 and Article 12 below, there shall be no abatement of rent and no liability of Landlord by reason of any injury to or interference with Tenant's business arising from the making of any repairs, alterations or improvements to any portion of the Building, including repairs to the Premises, nor

shall any related activity by Landlord constitute an actual or constructive eviction; provided, however, that in making repairs, alterations or improvements, Landlord shall interfere as little as reasonably practicable with the conduct of Tenant's business in the Premises. Tenant hereby waives any and all rights under and benefits of subsection 1 of Section 1932, and Sections 1941 and 1942 of the California Civil Code, or any similar or successor laws now or hereafter in effect.

**7.3. ALTERATIONS.** Tenant shall make no alterations, additions, decorations, or improvements (collectively referred to as "**Alterations**") to the Premises without the prior written consent of Landlord. Landlord's consent shall not be unreasonably withheld as long as the proposed Alterations do not affect the structural, electrical or mechanical components or systems of the Building, are not visible from the exterior of the Premises, do not change the basic floor plan of the Premises, and utilize only Landlord's building standard materials ("**Standard Improvements**"). Landlord may impose, as a condition to its consent, any requirements that Landlord in its discretion may deem reasonable or desirable. Without limiting the generality of the foregoing, Tenant shall use Landlord's designated mechanical and electrical contractors for all Alterations work affecting the mechanical or electrical systems of the Building. Should Tenant perform any Alterations work that would necessitate any ancillary Building modification or other expenditure by Landlord, then Tenant shall promptly fund the cost thereof to Landlord. Tenant shall obtain all required permits for the Alterations and shall perform the work in compliance with all applicable laws, regulations and ordinances with contractors reasonably acceptable to Landlord, and except for cosmetic Alterations not requiring a permit, Landlord shall be entitled to a supervision fee in the amount of 3% of the cost of the Alterations. Any request for Landlord's consent shall be made in writing and shall contain architectural plans describing the work in detail reasonably satisfactory to Landlord. Landlord may elect to cause its architect to review Tenant's architectural plans, and the reasonable cost of that review shall be reimbursed by Tenant. Should the Alterations proposed by Tenant and consented to by Landlord change the floor plan of the Premises, then Tenant shall, at its expense, furnish Landlord with as-built drawings and CAD disks compatible with Landlord's systems. Alterations shall be constructed in a good and workmanlike manner using materials of a quality reasonably approved by Landlord Unless Landlord otherwise agrees in writing, all Alterations affixed to the Premises, including without limitation all Tenant Improvements constructed pursuant to the Work Letter (except as otherwise provided in the Work Letter), but excluding moveable trade fixtures and furniture, shall become the property of Landlord. Such Alterations shall be surrendered with the Premises at the end of the Term, except that Landlord may, by notice to Tenant given at least 30 days prior to the Expiration Date, require Tenant to remove by the Expiration Date, or sooner termination date of this Lease, all or any Alterations (including without limitation all telephone and data cabling but not including Tenant Improvements made by Landlord at the commencement of this Lease under the terms of the Work Letter) installed either by Tenant or by Landlord at Tenant's request (collectively, the "**Required Removables**"), and to replace any non-Standard Improvements with the applicable Standard Improvements. Tenant, at the time it requests approval for a proposed Alteration, may request in writing that Landlord advise Tenant whether the Alteration or any portion thereof, is a Required Removable. Within 10 days after receipt of Tenant's request, Landlord shall advise Tenant in writing as to which portions of the subject Alterations are Required Removables. In connection with its removal of Required Removables, Tenant shall repair any damage to the Premises arising from that removal and shall restore the affected area to its pre-existing condition, reasonable wear and tear excepted.

**7.4. MECHANIC'S LIENS.** Tenant shall keep the Premises free from any liens arising out of any work performed, materials furnished, or obligations incurred by or for Tenant. Upon request by Landlord, Tenant shall promptly cause any such lien to be released by posting a bond in accordance with California Civil Code Section 8424 or any successor statute. In the event that Tenant shall not, within 15 days following the imposition of any lien, cause the lien to be released of record by payment or posting of a proper bond, Landlord shall have, in addition to all other available remedies, the right to cause the lien to be released by any means it deems proper, including payment of or defense against the claim giving rise to the lien. All expenses so incurred by Landlord, including Landlord's attorneys' fees, shall be reimbursed by Tenant promptly following Landlord's demand, together with interest from the date of payment by Landlord at the maximum rate permitted by law until paid. Tenant shall give Landlord no less than 20 days' prior notice in writing before commencing construction of any kind on the Premises.

**7.5. ENTRY AND INSPECTION.** Landlord shall at all reasonable times have the right to enter the Premises to inspect them, to supply services in accordance with this Lease, to make repairs and renovations as reasonably deemed necessary by Landlord, and to submit the Premises to prospective or actual purchasers or encumbrance holders (or, during the final nine months of the Term or when an uncured Default exists, to prospective tenants), all without being deemed to have caused an eviction of Tenant and without abatement of rent except as provided elsewhere in this Lease. If reasonably necessary, Landlord may temporarily close all or a portion of the Premises to perform repairs, alterations and additions provided that Landlord shall not render such Premises unusable by Tenant without reasonable accommodation. Except in emergencies or to provide Building services, Landlord shall provide Tenant with reasonable prior verbal notice of entry and shall use reasonable efforts to minimize any interference with Tenant's use of the Premises.

## **ARTICLE 8. SPACE PLANNING AND SUBSTITUTION**

Landlord shall have the right, upon providing not less than 60 days prior written notice, to move Tenant to other space of comparable size in the Building or in the Project. The new space shall be provided with improvements of comparable quality to those within the Premises. Landlord shall pay the reasonable out-of-pocket costs to relocate and reconnect Tenant's personal property and equipment within the new space; provided that Landlord may elect to cause such work to be done by its contractors.

Landlord shall also reimburse Tenant for such other reasonable out-of-pocket costs that Tenant may incur in connection with the relocation, including without limitation necessary stationery revisions. Within 10 days following request by Landlord, Tenant shall execute an amendment to this Lease prepared by Landlord to memorialize the relocation. Should Tenant fail timely to execute and deliver the amendment to Landlord, or should Tenant thereafter fail to comply with the terms thereof, then Landlord may at its option elect to terminate this Lease upon not less than 60 days prior written notice to Tenant.

## ARTICLE 9. ASSIGNMENT AND SUBLETTING

### 9.1. RIGHTS OF PARTIES.

(a) Except as otherwise specifically provided in this Article 9, Tenant may not, either voluntarily or by operation of law, assign, sublet, encumber, or otherwise transfer all or any part of Tenant's interest in this Lease, or permit the Premises to be occupied by anyone other than Tenant (each, a "**Transfer**"), without Landlord's prior written consent, which consent shall not unreasonably be withheld in accordance with the provisions of Section 9.1(b). For purposes of this Lease, references to any subletting, sublease or variation thereof shall be deemed to apply not only to a sublease effected directly by Tenant, but also to a sub-subletting or an assignment of subtenancy by a subtenant at any level. Except as otherwise specifically provided in this Article 9, no Transfer (whether voluntary, involuntary or by operation of law) shall be valid or effective without Landlord's prior written consent and, at Landlord's election, such a Transfer shall constitute a material default of this Lease.

(b) Except as otherwise specifically provided in this Article 9, if Tenant or any subtenant hereunder desires to transfer an interest in this Lease, Tenant shall first notify Landlord in writing and shall request Landlord's consent thereto. Tenant shall also submit to Landlord in writing: (i) the name and address of the proposed transferee; (ii) the nature of any proposed subtenant's or assignee's business to be carried on in the Premises; (iii) the terms and provisions of any proposed sublease or assignment (including without limitation the rent and other economic provisions, term, improvement obligations and commencement date); (iv) evidence that the proposed assignee or subtenant will comply with the requirements of **Exhibit D** to this Lease; and (v) any other information reasonably requested by Landlord and reasonably related to the Transfer. Landlord shall not unreasonably withhold its consent, provided: (1) the use of the Premises will be consistent with the provisions of this Lease; (2) any proposed subtenant or assignee demonstrates that it is financially responsible by submission to Landlord of all reasonable information as Landlord may request concerning the proposed subtenant or assignee, including, but not limited to, a balance sheet of the proposed subtenant or assignee as of a date within 90 days of the request for Landlord's consent and statements of income or profit and loss of the proposed subtenant or assignee for the two-year period preceding the request for Landlord's consent; (3) the proposed assignee or subtenant is neither an existing tenant or occupant of the Building or Project nor a prospective tenant with whom Landlord or Landlord's affiliate has been actively negotiating to become a tenant at the Building or Project; and (4) the proposed transferee is not an SDN (as defined below) and will not impose additional burdens or security risks on Landlord. If Landlord consents to the proposed Transfer, then the Transfer may be effected within 90 days after the date of the consent upon the terms described in the information furnished to Landlord; provided that any material change in the terms shall be subject to Landlord's consent as set forth in this Section 9.1(b). Landlord shall approve or disapprove any requested Transfer within 30 days following receipt of Tenant's written notice and the information set forth above. Except in connection with a Permitted Transfer (as defined below), if Landlord approves the Transfer Tenant shall pay a transfer fee of \$1,000.00 to Landlord concurrently with Tenant's execution of a Transfer consent prepared by Landlord.

(c) Notwithstanding the provisions of Subsection (b) above, and except in connection with a "**Permitted Transfer**" (as defined below), in lieu of consenting to a proposed assignment or subletting, Landlord may elect to terminate this Lease in its entirety in the event of an assignment, or terminate this Lease as to the portion of the Premises proposed to be subleased with a proportionate abatement in the rent payable under this Lease, such termination to be effective on the date that the proposed sublease or assignment would have commenced. Landlord may thereafter, at its option, assign or re-let any space so recaptured to any third party, including without limitation the proposed transferee identified by Tenant. No transfer fee referenced in (b) above shall be due by Tenant to Landlord in such event.

(d) Should any Transfer occur, Tenant shall, except in connection with a Permitted Transfer or Lease termination in accordance with Section 9.1 (c) above, promptly pay or cause to be paid to Landlord, as additional rent, 50% of any amounts paid by the assignee or subtenant, however described and whether funded during or after the Lease Term, to the extent such amounts are in excess of the sum of (i) the scheduled Basic Rent payable by Tenant hereunder and Tenant's share of Operating Expenses (or, in the event of a subletting of only a portion of the Premises, the Basic Rent and Operating Expenses allocable to such portion as reasonably determined by Landlord) and (ii) the direct out-of-pocket costs, as evidenced by third party invoices provided to Landlord, incurred by Tenant to effect the Transfer, which costs shall be amortized over the remaining Term of this Lease or, if shorter, over the term of the sublease.

(e) The sale of all or substantially all of the assets of Tenant (other than bulk sales in the ordinary course of business), the merger or consolidation of Tenant, the sale of a majority of Tenant's capital stock, or any other direct or indirect change of control of Tenant, including, without limitation, change of control of Tenant's parent company or a merger by Tenant or its parent company, where Tenant or such parent company is not the surviving corporation shall be deemed a Transfer within the meaning and provisions of this Article. Notwithstanding the foregoing, Tenant may assign this Lease to a

successor to Tenant by merger, consolidation or the purchase of substantially all of Tenant's assets, or assign this Lease or sublet all or a portion of the Premises to an Affiliate (defined below), without the consent of Landlord but subject to the provisions of Section 9.2, provided that all of the following conditions are satisfied (a "**Permitted Transfer**"): (i) Tenant is not then in Default hereunder; (ii) Tenant gives Landlord written notice at least 10 business days before such Permitted Transfer; and (iii) the successor entity resulting from any merger or consolidation of Tenant or the sale of all or substantially all of the assets of Tenant, has a net worth (computed in accordance with generally accepted accounting principles, except that intangible assets such as goodwill, patents, copyrights, and trademarks shall be excluded in the calculation ("**Net Worth**")) at the time of the Permitted Transfer that is at least equal to the Net Worth of Tenant immediately before the Permitted Transfer. Tenant's notice to Landlord shall include reasonable information and documentation evidencing the Permitted Transfer and showing that each of the above conditions has been satisfied. If requested by Landlord, Tenant's successor shall sign and deliver to Landlord a commercially reasonable form of assumption agreement. "**Affiliate**" shall mean an entity controlled by, controlling or under common control with Tenant.

**9.2. EFFECT OF TRANSFER.** No subletting or assignment, even with the consent of Landlord, shall relieve Tenant, or any successor-in-interest to Tenant hereunder, of its obligation to pay rent and to perform all its other obligations under this Lease, other than a Lease termination by Landlord under Section 9.1(c) above. Except for a Lease termination by Landlord under Section 9.1(c) above, each assignee, other than Landlord, shall be deemed to assume all obligations of Tenant under this Lease and shall be liable jointly and severally with Tenant for the payment of all rent, and for the due performance of all of Tenant's obligations, under this Lease. Such joint and several liability shall not be discharged or impaired by any subsequent modification or extension of this Lease, provided that Landlord may not agree any modification or extension of this Lease with any assignee without the prior written consent of Tenant. Consent by Landlord to one or more transfers shall not operate as a waiver or estoppel to the future enforcement by Landlord of its rights under this Lease.

**9.3. SUBLEASE REQUIREMENTS.** Any sublease, license, concession or other occupancy agreement entered into by Tenant shall be subordinate and subject to the provisions of this Lease, and if this Lease is terminated during the term of any such agreement, Landlord shall have the right to: (i) treat such agreement as cancelled and repossess the subject space by any lawful means, or (ii) require that such transferee attorn to and recognize Landlord as its landlord (or licensor, as applicable) under such agreement. Landlord shall not, by reason of such attornment or the collection of sublease rentals, be deemed liable to the subtenant for the performance of any of Tenant's obligations under the sublease. If Tenant is in Default (hereinafter defined), Landlord is irrevocably authorized to direct any transferee under any such agreement to make all payments under such agreement directly to Landlord (which Landlord shall apply towards Tenant's obligations under this Lease) until such Default is cured. No collection or acceptance of rent by Landlord from any transferee shall be deemed a waiver of any provision of Article 9 of this Lease, an approval of any transferee, or a release of Tenant from any obligation under this Lease, whenever accruing. In no event shall Landlord's enforcement of any provision of this Lease against any transferee be deemed a waiver of Landlord's right to enforce any term of this Lease against Tenant or any other person.

## ARTICLE 10. INSURANCE AND INDEMNITY

**10.1. TENANT'S INSURANCE.** Tenant, at its sole cost and expense, shall provide and maintain in effect the insurance described in **Exhibit D**. Evidence of that insurance must be delivered to Landlord prior to the Commencement Date.

**10.2. LANDLORD'S INSURANCE.** Landlord shall provide the following types of insurance, with or without deductible and in amounts and coverages as may be determined by Landlord in its discretion: property insurance, subject to standard exclusions (such as, but not limited to, earthquake and flood exclusions), covering the Building or Project. In addition, Landlord may, at its election, obtain insurance coverages for such other risks as Landlord or its Mortgagees may from time to time deem appropriate, including earthquake, terrorism and commercial general liability coverage. Landlord shall not be required to carry insurance of any kind on any tenant improvements or Alterations in the Premises installed by Tenant or its contractors or otherwise removable by Tenant (collectively, "**Tenant Installations**"), or on any trade fixtures, furnishings, equipment, interior plate glass, signs or items of personal property in the Premises, and Landlord shall not be obligated to repair or replace any of the foregoing items should damage occur. All proceeds of insurance maintained by Landlord upon the Building and Project shall be the property of Landlord, whether or not Landlord is obligated to or elects to make any repairs.

**10.3. TENANT'S INDEMNITY.** To the fullest extent permitted by law, but subject to Section 10.5 below, Tenant shall defend, indemnify and hold harmless Landlord and Landlord's agents, employees, lenders, and affiliates, from and against any and all negligence, claims, liabilities, damages, costs or expenses arising after the Commencement Date which arise from or are caused by Tenant's use or occupancy of the Premises, the Building or the Common Areas of the Project, or from the conduct of Tenant's business, or from any activity, work, or thing done, permitted or suffered by Tenant or Tenant's agents, employees, subtenants, vendors, contractors, invitees or licensees in or about the Premises, the Building or the Common Areas of the Project, or from any Default in the performance of any obligation on Tenant's part to be performed under this Lease, or from any act, omission or negligence on the part of Tenant or Tenant's agents, employees, subtenants, vendors, contractors, invitees or licensees. Landlord may, at its option, require Tenant to assume Landlord's defense in any action covered by this Section 10.3 through counsel reasonably satisfactory to Landlord. Notwithstanding the foregoing, Tenant shall not be obligated to indemnify Landlord against any liability or expense to the extent it is ultimately determined that the same was caused by the sole negligence or willful misconduct of Landlord, its agents, contractors or employees.

**10.4. LANDLORD'S NONLIABILITY.** Unless caused by the negligence or intentional misconduct of Landlord, its agents, employees or contractors but subject to Section 10.5 below, Landlord shall not be liable to Tenant, its employees, agents and invitees, and Tenant hereby waives all claims against Landlord, its employees and agents for loss of or damage to any property, or any injury to any person, resulting from any condition including, but not limited to, acts or omissions (criminal or otherwise) of third parties and/or other tenants of the Project, or their agents, employees or invitees, fire, explosion, falling plaster, steam, gas, electricity, water or rain which may leak or flow from or into any part of the Premises or from the breakage, leakage, obstruction or other defects of the pipes, sprinklers, wires, appliances, plumbing, air conditioning, electrical works or other fixtures in the Building, whether the damage or injury results from conditions arising in the Premises or in other portions of the Building. It is understood that any such condition may require the temporary evacuation or closure of all or a portion of the Building. Should Tenant elect to receive any service from a concessionaire, licensee or third party tenant of Landlord, Tenant shall not seek recourse against Landlord for any breach or liability of that service provider. Notwithstanding anything to the contrary contained in this Lease, in no event shall Landlord be liable for Tenant's loss or interruption of business or income (including without limitation, Tenant's consequential damages, lost profits or opportunity costs), or for interference with light or other similar intangible interests.

**10.5. WAIVER OF SUBROGATION.** Landlord and Tenant each hereby waives all rights of recovery against the other on account of loss and damage occasioned to the property of such waiving party to the extent that the waiving party is entitled to proceeds for such loss and damage under any property insurance policies carried or otherwise required to be carried by this Lease; provided however, that the foregoing waiver shall not apply to the extent of Tenant's obligation to pay deductibles under any such policies and this Lease. By this waiver it is the intent of the parties that neither Landlord nor Tenant shall be liable to any insurance company (by way of subrogation or otherwise) insuring the other party for any loss or damage insured against under any property insurance policies, even though such loss or damage might be occasioned by the negligence of such party, its agents, employees, contractors or invitees. The foregoing waiver by Tenant shall also inure to the benefit of Landlord's management agent for the Building.

## ARTICLE 11. DAMAGE OR DESTRUCTION

### 11.1. RESTORATION.

(a) If the Building of which the Premises are a part is damaged as the result of an event of casualty, then subject to the provisions below, Landlord shall repair that damage as soon as reasonably possible unless Landlord reasonably determines that: (i) the Premises have been materially damaged and there is less than 1 year of the Term remaining on the date of the casualty; (ii) any Mortgagee (defined in Section 13.1) requires that the insurance proceeds be applied to the payment of the mortgage debt; or (iii) proceeds necessary to pay the full cost of the repair are not available from Landlord's insurance, including without limitation earthquake insurance. Should Landlord elect not to repair the damage for one of the preceding reasons, Landlord shall so notify Tenant in the "Casualty Notice" (as defined below), and this Lease shall terminate as of the date of delivery of that notice.

(b) As soon as reasonably practicable following the casualty event but not later than 60 days thereafter, Landlord shall notify Tenant in writing ("**Casualty Notice**") of Landlord's election, if applicable, to terminate this Lease. If this Lease is not so terminated, the Casualty Notice shall set forth the anticipated period for repairing the casualty damage. If the anticipated repair period exceeds 270 days and if the damage is so extensive as to reasonably prevent Tenant's substantial use and enjoyment of the Premises, then either party may elect to terminate this Lease by written notice to the other within 10 days following delivery of the Casualty Notice.

(c) In the event that neither Landlord nor Tenant terminates this Lease pursuant to Section 11.1(b), Landlord shall repair all material damage to the Premises or the Building as soon as reasonably possible and this Lease shall continue in effect for the remainder of the Term. Upon notice from Landlord, Tenant shall assign or endorse over to Landlord (or to any party designated by Landlord) all property insurance proceeds payable to Tenant under Tenant's insurance with respect to any Tenant Installations; provided if the estimated cost to repair such Tenant Installations exceeds the amount of insurance proceeds received by Landlord from Tenant's insurance carrier, the excess cost of such repairs shall be paid by Tenant to Landlord prior to Landlord's commencement of repairs. Within 15 days of demand, Tenant shall also pay Landlord for any additional excess costs that are determined during the performance of the repairs to such Tenant Installations.

(d) From and after the 6<sup>th</sup> business day following the casualty event, the rental to be paid under this Lease shall be abated in the same proportion that the Floor Area of the Premises that is rendered unusable by the damage from time to time bears to the total Floor Area of the Premises.

(e) Notwithstanding the provisions of subsections (a), (b) and (c) of this Section 11.1, but subject to Section 10.5, the cost of any repairs shall be borne by Tenant, and Tenant shall not be entitled to rental abatement or termination rights, if the damage is due to the fault or neglect of Tenant or its employees, subtenants, contractors, invitees or representatives. In addition, the provisions of this Section 11.1 shall not be deemed to require Landlord to repair any Tenant Installations, fixtures and other items that Tenant is obligated to insure pursuant to **Exhibit D** or under any other provision of this Lease.

**11.2. LEASE GOVERNS.** Tenant agrees that the provisions of this Lease, including without limitation Section 11.1, shall govern any damage or destruction and shall accordingly supersede any contrary statute or rule of law.

## ARTICLE 12. EMINENT DOMAIN

Either party may terminate this Lease if any material part of the Premises is taken or condemned for any public or quasi-public use under Law, by eminent domain or private purchase in lieu thereof (a “**Taking**”). Landlord shall also have the right to terminate this Lease if there is a Taking of any portion of the Building or Project which would have a material adverse effect on Landlord’s ability to profitably operate the remainder of the Building. The termination shall be effective as of the effective date of any order granting possession to, or vesting legal title in, the condemning authority. If this Lease is not terminated, Basic Rent and Tenant’s Share of Operating Expenses shall be appropriately adjusted to account for any reduction in the square footage of the Building or Premises. All compensation awarded for a Taking shall be the property of Landlord and the right to receive compensation or proceeds in connection with a Taking are expressly waived by Tenant; provided, however, Tenant may file a separate claim for Tenant’s personal property and Tenant’s reasonable relocation expenses. If only a part of the Premises is subject to a Taking and this Lease is not terminated, Landlord, with reasonable diligence, will restore the remaining portion of the Premises as nearly as practicable to the condition immediately prior to the Taking. Tenant agrees that the provisions of this Lease shall govern any Taking and shall accordingly supersede any contrary statute or rule of law.

## ARTICLE 13. SUBORDINATION; ESTOPPEL CERTIFICATE

**13.1. SUBORDINATION.** Tenant accepts this Lease subject and subordinate to any mortgage(s), deed(s) of trust, ground lease(s) or other lien(s) now or subsequently arising upon the Premises, the Building or the Project, and to renewals, modifications, refinancings and extensions thereof (collectively referred to as a “**Mortgage**”). The party having the benefit of a Mortgage shall be referred to as a “**Mortgagee**”. This clause shall be self-operative, but upon request from a Mortgagee, Tenant shall execute a commercially reasonable subordination and attornment agreement in favor of the Mortgagee, provided such agreement provides a non-disturbance covenant benefiting Tenant. Alternatively, a Mortgagee shall have the right at any time to subordinate its Mortgage to this Lease. Upon request, Tenant, without charge, shall attorn to any successor to Landlord’s interest in this Lease in the event of a foreclosure of any mortgage. Tenant agrees that any purchaser at a foreclosure sale or lender taking title under a deed in lieu of foreclosure shall not be responsible for any act or omission of a prior landlord, shall not be subject to any offsets or defenses Tenant may have against a prior landlord, and shall not be liable for the return of the Security Deposit not actually recovered by such purchaser nor bound by any rent paid in advance of the calendar month in which the transfer of title occurred; provided that the foregoing shall not release the applicable prior landlord from any liability for those obligations. Tenant acknowledges that Landlord’s Mortgagees and their successors-in-interest are intended third party beneficiaries of this Section 13.1.

**13.2. ESTOPPEL CERTIFICATE.** Tenant shall, within 10 days after receipt of a written request from Landlord, execute and deliver a commercially reasonable estoppel certificate in favor of those parties as are reasonably requested by Landlord (including a Mortgagee or a prospective purchaser of the Building or the Project).

## ARTICLE 14. DEFAULTS AND REMEDIES

**14.1. TENANT’S DEFAULTS.** In addition to any other event of default set forth in this Lease, the occurrence of any one or more of the following events shall constitute a “**Default**” by Tenant:

(a) The failure by Tenant to make any payment of Rent required to be made by Tenant, as and when due, where the failure continues for a period of 3 business days after written notice from Landlord to Tenant. The term “**Rent**” as used in this Lease shall be deemed to mean the Basic Rent and all other sums required to be paid by Tenant to Landlord pursuant to the terms of this Lease.

(b) The assignment, sublease, encumbrance or other Transfer of the Lease by Tenant, either voluntarily or by operation of law, whether by judgment, execution, transfer by intestacy or testacy, or other means, without the prior written consent of Landlord unless otherwise authorized in Article 9 of this Lease.

(c) The discovery by Landlord that any financial statement provided by Tenant, or by any affiliate, successor or guarantor of Tenant, was materially false.

(d) Except where a specific time period is otherwise set forth for Tenant’s performance in this Lease (in which event the failure to perform by Tenant within such time period shall be a Default), the failure or inability by Tenant to observe or perform any of the covenants or provisions of this Lease to be observed or performed by Tenant, other than as specified in any other subsection of this Section 14.1, where the failure continues for a period of 30 days after written notice from Landlord to Tenant. However, if the nature of the failure is such that more than 30 days are reasonably required for its cure, then Tenant shall not be deemed to be in Default if Tenant commences the cure within 30 days, and thereafter diligently pursues the cure to completion.



The notice periods provided herein are in lieu of, and not in addition to, any notice periods provided by law, and Landlord shall not be required to give any additional notice under California Code of Civil Procedure Section 1161, or any successor statute, in order to be entitled to commence an unlawful detainer proceeding.

#### 14.2. LANDLORD'S REMEDIES.

(a) Upon the occurrence of any Default by Tenant, then in addition to any other remedies available to Landlord, Landlord may exercise the following remedies:

(i) Landlord may terminate Tenant's right to possession of the Premises by any lawful means, in which case this Lease shall terminate and Tenant shall immediately surrender possession of the Premises to Landlord. Such termination shall not affect any accrued obligations of Tenant under this Lease. Upon termination, Landlord shall have the right to reenter the Premises and remove all persons and property. Landlord shall also be entitled to recover from Tenant:

(1) The worth at the time of award of the unpaid Rent which had been earned at the time of termination;

(2) The worth at the time of award of the amount by which the unpaid Rent which would have been earned after termination until the time of award exceeds the amount of such loss that Tenant proves could have been reasonably avoided;

(3) The worth at the time of award of the amount by which the unpaid Rent for the balance of the Term after the time of award exceeds the amount of such loss that Tenant proves could be reasonably avoided;

(4) Any other amount necessary to compensate Landlord for all the detriment proximately caused by Tenant's failure to perform its obligations under this Lease or which in the ordinary course of things would be likely to result from Tenant's default, including, but not limited to, the cost of recovering possession of the Premises, commissions and other expenses of reletting, including necessary repair, renovation, improvement and alteration of the Premises for a new tenant, reasonable attorneys' fees, and any other reasonable costs; and

(5) At Landlord's election, all other amounts in addition to or in lieu of the foregoing as may be permitted by law. Any sum, other than Basic Rent, shall be computed on the basis of the average monthly amount accruing during the 24 month period immediately prior to Default, except that if it becomes necessary to compute such rental before the 24 month period has occurred, then the computation shall be on the basis of the average monthly amount during the shorter period. As used in subparagraphs (1) and (2) above, the "worth at the time of award" shall be computed by allowing interest at the rate of 10% per annum. As used in subparagraph (3) above, the "worth at the time of award" shall be computed by discounting the amount at the discount rate of the Federal Reserve Bank of San Francisco at the time of award plus 1%.

(ii) Landlord may elect not to terminate Tenant's right to possession of the Premises, in which event Landlord may continue to enforce all of its rights and remedies under this Lease, including the right to collect all rent as it becomes due. Efforts by the Landlord to maintain, preserve or relet the Premises, or the appointment of a receiver to protect the Landlord's interests under this Lease, shall not constitute a termination of the Tenant's right to possession of the Premises. In the event that Landlord elects to avail itself of the remedy provided by this subsection (ii), Landlord shall not unreasonably withhold its consent to an assignment or subletting of the Premises subject to the reasonable standards for Landlord's consent as are contained in this Lease.

(b) The various rights and remedies reserved to Landlord in this Lease or otherwise shall be cumulative and, except as otherwise provided by California law, Landlord may pursue any or all of its rights and remedies at the same time. No delay or omission of Landlord to exercise any right or remedy shall be construed as a waiver of the right or remedy or of any breach or Default by Tenant. The acceptance by Landlord of rent shall not be a (i) waiver of any preceding breach or Default by Tenant of any provision of this Lease, other than the failure of Tenant to pay the particular rent accepted, regardless of Landlord's knowledge of the preceding breach or Default at the time of acceptance of rent, or (ii) a waiver of Landlord's right to exercise any remedy available to Landlord by virtue of the breach or Default. The acceptance of any payment from a debtor in possession, a trustee, a receiver or any other person acting on behalf of Tenant or Tenant's estate shall not waive or cure a Default under Section 14.1. No payment by Tenant or receipt by Landlord of a lesser amount than the rent required by this Lease shall be deemed to be other than a partial payment on account of the earliest due stipulated rent, nor shall any endorsement or statement on any check or letter be deemed an accord and satisfaction and Landlord shall accept the check or payment without prejudice to Landlord's right to recover the balance of the rent or pursue any other remedy available to it. Tenant hereby waives any right of redemption or relief from forfeiture under California Code of Civil Procedure Section 1174 or 1179, or under any successor statute, in the event this Lease is terminated by reason of any Default by Tenant. No act or thing done by Landlord or Landlord's agents during the Term shall be deemed an acceptance of a surrender of the Premises, and no agreement to accept a surrender shall be valid unless in writing and signed by Landlord. No employee of Landlord or of Landlord's agents shall have any power to accept the keys to the Premises prior to the termination of this Lease, and the delivery of the keys to any employee shall not operate as a termination of the Lease or a surrender of the Premises.

**14.3. LATE PAYMENTS.** Any Rent due under this Lease that is not paid to Landlord within 5 days of the date when due shall bear interest at 10% per annum from the date due until fully paid. The payment of interest shall not cure any Default by Tenant under this Lease. In addition, Tenant acknowledges that the late payment by Tenant to Landlord of rent will cause Landlord to incur costs not contemplated by this Lease, the exact amount of which will be extremely difficult and impracticable to ascertain. Those costs may include, but are not limited to, administrative, processing and accounting charges, and late charges which may be imposed on Landlord by the terms of any ground lease, mortgage or trust deed covering the Premises. Accordingly, if any rent due from Tenant shall not be received by Landlord or Landlord's designee within 5 days after the date due, then Tenant shall pay to Landlord, in addition to the interest provided above, a late charge for each delinquent payment equal to the greater of (i) 5% of that delinquent payment or (ii) \$100.00. Acceptance of a late charge by Landlord shall not constitute a waiver of Tenant's Default with respect to the overdue amount, nor shall it prevent Landlord from exercising any of its other rights and remedies.

**14.4. RIGHT OF LANDLORD TO PERFORM.** If Tenant is in Default of any of its obligations under the Lease, Landlord shall have the right to perform such obligations. Tenant shall reimburse Landlord for the cost of such performance upon demand together with an administrative charge equal to 10% of the cost of the work performed by Landlord.

**14.5. DEFAULT BY LANDLORD.** Landlord shall not be deemed to be in default in the performance of any obligation under this Lease unless and until it has failed to perform the obligation within 30 days after written notice by Tenant to Landlord specifying in reasonable detail the nature and extent of the failure; provided, however, that if the nature of Landlord's obligation is such that more than 30 days are required for its performance, then Landlord shall not be deemed to be in default if it commences performance within the 30 day period and thereafter diligently pursues the cure to completion. Tenant agrees that its remedies shall be limited to a suit for actual damages and/or injunction and shall in no event include any consequential damages, lost profits or opportunity costs.

**14.6. EXPENSES AND LEGAL FEES.** Should either Landlord or Tenant bring any action in connection with this Lease, the prevailing party shall be entitled to recover as a part of the action its reasonable attorneys' fees, and all other reasonable costs. The prevailing party for the purpose of this paragraph shall be determined by the trier of the facts.

**14.7. WAIVER OF JURY TRIAL/JUDICIAL REFERENCE.**

(a) **LANDLORD AND TENANT EACH ACKNOWLEDGES THAT IT IS AWARE OF AND HAS HAD THE ADVICE OF COUNSEL OF ITS CHOICE WITH RESPECT TO ITS RIGHT TO TRIAL BY JURY, AND EACH PARTY DOES HEREBY EXPRESSLY AND KNOWINGLY WAIVE AND RELEASE ALL SUCH RIGHTS TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM BROUGHT BY EITHER PARTY HERETO AGAINST THE OTHER (AND/OR AGAINST ITS OFFICERS, DIRECTORS, EMPLOYEES, AGENTS, OR SUBSIDIARY OR AFFILIATED ENTITIES) ON ANY MATTERS WHATSOEVER ARISING OUT OF OR IN ANY WAY CONNECTED WITH THIS LEASE, TENANT'S USE OR OCCUPANCY OF THE PREMISES, AND/OR ANY CLAIM OF INJURY OR DAMAGE.**

(b) In the event that the jury waiver provisions of Section 14.7(a) are not enforceable under California law, then, unless otherwise agreed to by the parties, the provisions of this Section 14.7(b) shall apply. Landlord and Tenant agree that any disputes arising in connection with this Lease (including but not limited to a determination of any and all of the issues in such dispute, whether of fact or of law) shall be resolved (and a decision shall be rendered) by way of a general reference as provided for in Part 2, Title 8, Chapter 6 (§§ 638 et. seq.) of the California Code of Civil Procedure, or any successor California statute governing resolution of disputes by a court appointed referee. Nothing within this Section 14.7 shall apply to an unlawful detainer action.

**14.8 SATISFACTION OF JUDGMENT.** The obligations of Landlord do not constitute the personal obligations of the individual partners, trustees, directors, officers, members or shareholders of Landlord or its constituent partners or members. Should Tenant recover a money judgment against Landlord, such judgment shall be satisfied only from the interest of Landlord in the Project and out of the rent or other income from such property receivable by Landlord, and no action for any deficiency may be sought or obtained by Tenant.

**ARTICLE 15. END OF TERM**

**15.1. HOLDING OVER.** If Tenant holds over for any period after the Expiration Date (or earlier termination of the Term) without the prior written consent of Landlord, such tenancy shall constitute a tenancy at sufferance only and a Default by Tenant; such holding over with the prior written consent of Landlord shall constitute a month-to-month tenancy commencing on the 1<sup>st</sup> day following the termination of this Lease and terminating 30 days following delivery of written notice of termination by either Landlord or Tenant to the other. In either of such events, possession shall be subject to all of the terms of this Lease, except that if such holding over is without the consent of Landlord, the monthly rental shall be 150% of the total monthly rental for the month immediately preceding the date of termination, subject to

Landlord's right to modify same upon 30 days notice to Tenant. The acceptance by Landlord of monthly hold-over rental in a lesser amount shall not constitute a waiver of Landlord's right to recover the full amount due unless otherwise agreed in writing by Landlord. If Tenant fails to surrender the Premises upon the expiration of this Lease despite demand to do so by Landlord, Tenant shall indemnify and hold Landlord harmless from all loss or liability, including without limitation, any claims made by any succeeding tenant relating to such failure to surrender. The foregoing provisions of this Section 15.1 are in addition to and do not affect Landlord's right of re-entry or any other rights of Landlord under this Lease or at law.

**15.2. SURRENDER OF PREMISES; REMOVAL OF PROPERTY.** Upon the Expiration Date or upon any earlier termination of this Lease, Tenant shall quit and surrender possession of the Premises to Landlord in as good order, condition and repair as when received or as hereafter may be improved by Landlord or Tenant, reasonable wear and tear and repairs which are Landlord's obligation excepted, and shall remove or fund to Landlord the cost of removing all wallpapering, voice and/or data transmission cabling installed by or for Tenant and Required Removables, together with all personal property and debris, and shall perform all work required under Section 7.3 of this Lease. If Tenant shall fail to comply with the provisions of this Section 15.2, Landlord may effect the removal and/or make any repairs, and the cost to Landlord shall be additional rent payable by Tenant upon demand.

## **ARTICLE 16. PAYMENTS AND NOTICES**

All sums payable by Tenant to Landlord shall be paid, without deduction or offset, in lawful money of the United States to Landlord at its address set forth in Item 12 of the Basic Lease Provisions, or at any other place as Landlord may designate in writing. Unless this Lease expressly provides otherwise, as for example in the payment of rent pursuant to Section 4.1, all payments shall be due and payable within 10 days after demand. All payments requiring proration shall be prorated on the basis of the number of days in the pertinent calendar month or year, as applicable. Any notice, election, demand, consent, approval or other communication to be given or other document to be delivered by either party to the other may be delivered to the other party, at the address set forth in Item 12 of the Basic Lease Provisions, by personal service, or by any courier or "overnight" express mailing service. Either party may, by written notice to the other, served in the manner provided in this Article, designate a different address. The refusal to accept delivery of a notice, or the inability to deliver the notice (whether due to a change of address for which notice was not duly given or other good reason), shall be deemed delivery and receipt of the notice as of the date of attempted delivery. If more than one person or entity is named as Tenant under this Lease, service of any notice upon any one of them shall be deemed as service upon all of them.

## **ARTICLE 17. RULES AND REGULATIONS**

Tenant agrees to comply with the Rules and Regulations attached as **Exhibit E**, and any reasonable and nondiscriminatory amendments, modifications and/or additions as may be adopted and published by written notice to tenants by Landlord for the safety, care, security, good order, or cleanliness of the Premises, Building, Project and/or Common Areas. Landlord shall not be liable to Tenant for any violation of the Rules and Regulations or the breach of any covenant or condition in any lease or any other act or conduct by any other tenant, and the same shall not constitute a constructive eviction hereunder. One or more waivers by Landlord of any breach of the Rules and Regulations by Tenant or by any other tenant(s) shall not be a waiver of any subsequent breach of that rule or any other. Tenant's failure to keep and observe the Rules and Regulations shall constitute a default under this Lease. In the case of any conflict between the Rules and Regulations and this Lease, this Lease shall be controlling.

## **ARTICLE 18. BROKER'S COMMISSION**

The parties recognize as the broker(s) who negotiated this Lease the firm(s) whose name(s) is (are) stated in Item 10 of the Basic Lease Provisions, and agree that Landlord shall be responsible for the payment of brokerage commissions to those broker(s) unless otherwise provided in this Lease. It is understood that Landlord's Broker represents only Landlord in this transaction and Tenant's Broker (if any) represents only Tenant. Each party warrants that it has had no dealings with any other real estate broker or agent in connection with the negotiation of this Lease, and agrees to indemnify and hold the other party harmless from any cost, expense or liability (including reasonable attorneys' fees) for any compensation, commissions or charges claimed by any other real estate broker or agent employed or claiming to represent or to have been employed by the indemnifying party in connection with the negotiation of this Lease. The foregoing agreement shall survive the termination of this Lease.

## **ARTICLE 19. TRANSFER OF LANDLORD'S INTEREST**

In the event of any transfer of Landlord's interest in the Premises, the transferor shall be automatically relieved of all obligations on the part of Landlord accruing under this Lease from and after the date of the transfer, provided that Tenant is duly notified of the transfer. Any funds held by the transferor in which Tenant has an interest, including without limitation, the Security Deposit, shall be turned over, subject to that interest, to the transferee. No Mortgagee to which this Lease is or may be subordinate shall be responsible in connection with the Security Deposit unless the Mortgagee actually receives the Security Deposit. It is intended that the covenants and obligations contained in this Lease on the part of Landlord shall, subject to the foregoing, be binding on Landlord, its successors and assigns, only during and in respect to their respective successive periods of ownership.

## ARTICLE 20. INTERPRETATION

**20.1. NUMBER.** Whenever the context of this Lease requires, the words “Landlord” and “Tenant” shall include the plural as well as the singular.

**20.2. HEADINGS.** The captions and headings of the articles and sections of this Lease are for convenience only, are not a part of this Lease and shall have no effect upon its construction or interpretation.

**20.3. JOINT AND SEVERAL LIABILITY.** If more than one person or entity is named as Tenant, the obligations imposed upon each shall be joint and several and the act of or notice from, or notice or refund to, or the signature of, any one or more of them shall be binding on all of them with respect to the tenancy of this Lease, including, but not limited to, any renewal, extension, termination or modification of this Lease.

**20.4. SUCCESSORS.** Subject to Sections 13.1 and 22.3 and to Articles 9 and 19 of this Lease, all rights and liabilities given to or imposed upon Landlord and Tenant shall extend to and bind their respective heirs, executors, administrators, successors and assigns. Nothing contained in this Section 20.4 is intended, or shall be construed, to grant to any person other than Landlord and Tenant and their successors and assigns any rights or remedies under this Lease.

**20.5. TIME OF ESSENCE.** Time is of the essence with respect to the performance of every provision of this Lease in which time of performance is a factor.

**20.6. CONTROLLING LAW/VENUE.** This Lease shall be governed by and interpreted in accordance with the laws of the State of California. Should any litigation be commenced between the parties in connection with this Lease, such action shall be prosecuted in the applicable State Court of California in the county in which the Building is located.

**20.7. SEVERABILITY.** If any term or provision of this Lease, the deletion of which would not adversely affect the receipt of any material benefit by either party or the deletion of which is consented to by the party adversely affected, shall be held invalid or unenforceable to any extent, the remainder of this Lease shall not be affected and each term and provision of this Lease shall be valid and enforceable to the fullest extent permitted by law.

**20.8. WAIVER.** One or more waivers by Landlord or Tenant of any breach of any term, covenant or condition contained in this Lease shall not be a waiver of any subsequent breach of the same or any other term, covenant or condition. Consent to any act by one of the parties shall not be deemed to render unnecessary the obtaining of that party’s consent to any subsequent act. No breach of this Lease shall be deemed to have been waived unless the waiver is in a writing signed by the waiving party.

**20.9. INABILITY TO PERFORM.** In the event that either party shall be delayed or hindered in or prevented from the performance of any work or in performing any act required under this Lease by reason of any cause beyond the reasonable control of that party, then the performance of the work or the doing of the act shall be excused for the period of the delay and the time for performance shall be extended for a period equivalent to the period of the delay. The provisions of this Section 20.9 shall not operate to excuse Tenant from the prompt payment of Rent.

**20.10. ENTIRE AGREEMENT.** This Lease and its exhibits and other attachments cover in full each and every agreement of every kind between the parties concerning the Premises, the Building, and the Project, and all preliminary negotiations, oral agreements, understandings and/or practices, except those contained in this Lease, are superseded and of no further effect. Tenant waives its rights to rely on any representations or promises made by Landlord or others which are not contained in this Lease. No verbal agreement or implied covenant shall be held to modify the provisions of this Lease, any statute, law, or custom to the contrary notwithstanding.

**20.11. QUIET ENJOYMENT.** Upon the observance and performance of all the covenants, terms and conditions on Tenant’s part to be observed and performed, and subject to the other provisions of this Lease, Tenant shall have the right of quiet enjoyment and use of the Premises for the Term without hindrance or interruption by Landlord or any other person claiming by or through Landlord.

**20.12. SURVIVAL.** All covenants of Landlord or Tenant which reasonably would be intended to survive the expiration or sooner termination of this Lease, including without limitation any warranty or indemnity hereunder, shall so survive and continue to be binding upon and inure to the benefit of the respective parties and their successors and assigns.

## ARTICLE 21. EXECUTION AND RECORDING

**21.1. COUNTERPARTS; DIGITAL SIGNATURES.** This Lease may be executed in one or more counterparts, each of which shall constitute an original and all of which shall be one and the same agreement. The parties agree to accept a digital image (including but not limited to an image in the form of a PDF, JPEG, GIF file, or other e-signature) of this Lease, if applicable, reflecting the execution of one or both of the parties, as a true and correct original.

**21.2. CORPORATE AND PARTNERSHIP AUTHORITY.** If Tenant is a corporation, limited liability company or partnership, each individual executing this Lease on behalf of the entity represents and warrants that such individual is duly authorized to execute and deliver this Lease and that this Lease is binding upon the corporation, limited liability company or partnership in accordance with its terms. Tenant shall, at Landlord's request, deliver a certified copy of its organizational documents or an appropriate certificate authorizing or evidencing the execution of this Lease.

**21.3. EXECUTION OF LEASE; NO OPTION OR OFFER.** The submission of this Lease to Tenant shall be for examination purposes only, and shall not constitute an offer to or option for Tenant to lease the Premises. Execution of this Lease by Tenant and its return to Landlord shall not be binding upon Landlord, notwithstanding any time interval, until Landlord has in fact executed and delivered this Lease to Tenant, it being intended that this Lease shall only become effective upon execution by Landlord and delivery of a fully executed counterpart to Tenant.

**21.4. RECORDING.** Tenant shall not record this Lease without the prior written consent of Landlord. Tenant, upon the request of Landlord, shall execute and acknowledge a "short form" memorandum of this Lease for recording purposes.

**21.5. AMENDMENTS.** No amendment or mutual termination of this Lease shall be effective unless in writing signed by authorized signatories of Tenant and Landlord, or by their respective successors in interest. No actions, policies, oral or informal arrangements, business dealings or other course of conduct by or between the parties shall be deemed to modify this Lease in any respect.

**21.6. BROKER DISCLOSURE.** By the execution of this Lease, each of Landlord and Tenant hereby acknowledge and confirm (a) receipt of a copy of a Disclosure Regarding Real Estate Agency Relationship conforming to the requirements of California Civil Code 2079.16, and (b) the agency relationships specified in Section 10 of the Basic Lease Provisions, which acknowledgement and confirmation is expressly made for the benefit of Tenant's Broker identified in Section 10 of the Basic Lease Provisions. If there is no Tenant's Broker so identified in Section 10 of the Basic Lease Provisions, then such acknowledgement and confirmation is expressly made for the benefit of Landlord's Broker. By the execution of this Lease, Landlord and Tenant are executing the confirmation of the agency relationships set forth in Section 10 of the Basic Lease Provisions.

## ARTICLE 22. MISCELLANEOUS

**22.1. NONDISCLOSURE OF LEASE TERMS.** Tenant acknowledges that the content of this Lease and any related documents are confidential information. Except to the extent disclosure is required by law, Tenant shall keep such confidential information strictly confidential and shall not disclose such confidential information to any person or entity other than Tenant's financial, legal and space-planning consultants, provided, however, that Tenant may disclose the terms to prospective subtenants or assignees under this Lease or pursuant to legal requirement.

**22.2. TENANT'S FINANCIAL STATEMENTS.** The application, financial statements and tax returns, if any, submitted and certified to by Tenant as an accurate representation of its financial condition have been prepared, certified and submitted to Landlord as an inducement and consideration to Landlord to enter into this Lease. Tenant shall during the Term furnish Landlord with current annual financial statements accurately reflecting Tenant's financial condition following their availability, upon written request from Landlord within 10 days following Landlord's request; provided, however, that so long as Tenant is a publicly traded corporation on a nationally recognized stock exchange, the foregoing obligation to deliver the statements shall be waived.

**22.3. MORTGAGEE PROTECTION.** No act or failure to act on the part of Landlord which would otherwise entitle Tenant to be relieved of its obligations hereunder or to terminate this Lease shall result in such a release or termination unless (a) Tenant has given notice by registered or certified mail to any Mortgagee of a Mortgage covering the Building whose address has been furnished to Tenant and (b) such Mortgagee is afforded a reasonable opportunity to cure the default by Landlord (which shall in no event be less than 60 days), including, if necessary to effect the cure, time to obtain possession of the Building by power of sale or judicial foreclosure provided that such foreclosure remedy is diligently pursued. Tenant shall comply with any written directions by any Mortgagee to pay Rent due hereunder directly to such Mortgagee without determining whether a default exists under such Mortgagee's Mortgage.

**22.4. SDN LIST.** Tenant hereby represents and warrants that neither Tenant nor any officer, director or employee of Tenant (collectively, “**Tenant Parties**”) is listed as a Specially Designated National and Blocked Person (“**SDN**”) on the list of such persons and entities issued by the U.S. Treasury Office of Foreign Assets Control (OFAC). In the event Tenant or any Tenant Party is or becomes listed as an SDN, Tenant shall be deemed in breach of this Lease and Landlord shall have the right to terminate this Lease immediately upon written notice to Tenant.

**LANDLORD:**

SILICON VALLEY CENTER OFFICE LLC,  
a Delaware limited liability company

By /s/ Steven M. Case

Steven M. Case  
EVP  
Office Properties

By /s/ George J. Meyer

George J. Meyer  
Vice President  
Office Properties

**TENANT:**

CAMBIUM NETWORKS, INC.,  
a Delaware corporation

By /s/ Mike Hansen

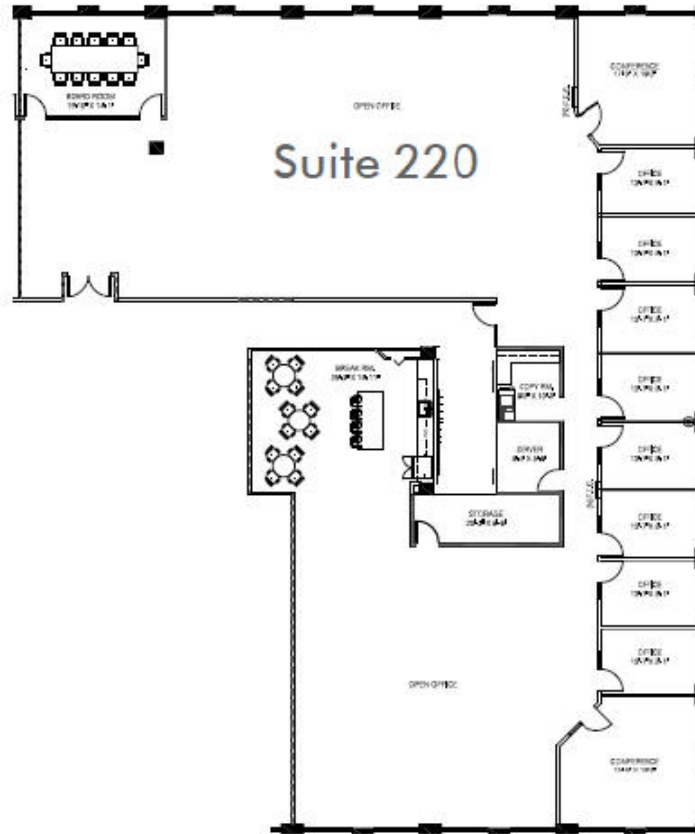
Printed Name Mike Hansen  
Title CFO

By /s/ Sally Rav

Printed Name Sally Rav  
Title General Counsel

EXHIBIT A

DESCRIPTION OF PREMISES



## EXHIBIT B

### Operating Expenses

(a) From and after the Commencement Date, Tenant shall pay to Landlord, as additional rent without deduction or offset, the amount, if any, by which Tenant's Share of Project Costs exceeds Tenant's Share of the "**Project Cost Base**" (set forth in Item 7 of the Basic Lease Provisions) and also the amount, if any, by which Tenant's Share of Property Taxes exceeds Tenant's Share of the "**Property Tax Base**" (set forth in Item 7 of the Basic Lease Provisions) for each applicable Expense Recovery Period during the Term of this Lease. The term "**Tenant's Share**" means that portion of any Operating Expenses determined by multiplying the cost of such item by a fraction, the numerator of which is the Floor Area and the denominator of which is the total rentable square footage, as determined from time to time by Landlord, of (i) the Building, for expenses determined by Landlord to benefit or relate substantially to the Building rather than the entire Project, and (ii) all or some of the buildings in the Project, for expenses determined by Landlord to benefit or relate substantially to all or some of the buildings in the Project rather than any specific building. In the event that Landlord determines that the Premises or the Building incur a non-proportional benefit from any expense, or is the non-proportional cause of any such expense, Landlord may allocate a greater percentage of such Operating Expense to the Premises or the Building. For purpose of determining Project Costs for the Project Cost Base, Project Costs shall not include any one time special charges, costs or fees or any extraordinary charges or costs incurred in the Base Year only, including, without limitation, utility rate increases and other costs arising from extraordinary market circumstances such as by way of example, boycotts, black-outs, brown-outs, the leasing of auxiliary power supply equipment, embargoes, strikes or other shortages of services or fuel, or any conservation surcharges, penalties or fines incurred by Landlord.

(b) Commencing prior to the start of the first full "**Expense Recovery Period**" of the Lease (as defined in Item 7 of the Basic Lease Provisions) following the expiration of the Project Cost base and the Property Cost Base, and prior to the start of each full or partial Expense Recovery Period thereafter, Landlord shall give Tenant a written estimate of the amount by which Tenant's Share of Operating Expenses is estimated to be in excess of Tenant's Share of the Project Cost Base and the Property Tax Base for the applicable Expense Recovery Period. Tenant shall pay the estimated amounts to Landlord in equal monthly installments, in advance, concurrently with payments of Basic Rent. If Landlord has not furnished its written estimate for any Expense Recovery Period by the time set forth above, Tenant shall continue to pay monthly the estimated Tenant's Share of Operating Expenses in effect during the prior Expense Recovery Period; provided that when the new estimate is delivered to Tenant, Tenant shall, at the next monthly payment date, pay any accrued estimated Tenant's Share of Operating Expenses based upon the new estimate. Landlord may from time to time change the Expense Recovery Period to reflect a calendar year or a new fiscal year of Landlord, as applicable, in which event Tenant's Share of Operating Expenses shall be equitably prorated for any partial year.

(c) Within 180 days after the end of each Expense Recovery Period, Landlord shall furnish to Tenant a statement (a "**Reconciliation Statement**") showing in reasonable detail the actual or prorated Tenant's Share of Operating Expenses incurred by Landlord during such Expense Recovery Period, and the parties shall within 30 days thereafter make any payment or allowance necessary to adjust Tenant's estimated payments of Tenant's Share of Operating Expenses, if any, to the actual Tenant's Share of Operating Expenses in excess of Tenant's Share of the Project Cost Base and of the Property Tax Base, respectively, as shown by the Reconciliation Statement. Any delay or failure by Landlord in delivering any Reconciliation Statement shall not constitute a waiver of Landlord's right to require Tenant to pay Tenant's Share of Operating Expenses in excess of Tenant's Share of the Project Cost Base and of the Property Tax Base. Any amount due Tenant shall be credited against installments next coming due under this Exhibit B, and any deficiency shall be paid by Tenant together with the next installment. If the actual Tenant's Share of Operating Expense during any Expense Recovery Period is less than Tenant's Share of the Project Cost Base and/or of the Property Tax Base, Landlord shall not be required to pay the differential to Tenant. Should Tenant fail to object in writing to Landlord's determination of Tenant's Share of Operating Expenses in excess of Tenant's Share of the Project Cost Base and of the Property Tax Base within 60 days following delivery of Landlord's Reconciliation Statement, Landlord's determination of Tenant's Share of Operating Expenses for the applicable Expense Recovery Period shall be conclusive and binding on Tenant for all purposes and any future claims by Tenant to the contrary shall be barred.

(d) Even though this Lease has terminated and the Tenant has vacated the Premises, when the final determination is made of Tenant's Share of Operating Expenses in excess of Tenant's Share of the Project Cost Base and of the Property Tax Base for the Expense Recovery Period in which this Lease terminates, Tenant shall within 30 days of written notice pay the entire increase over the estimated Tenant's Share of Operating Expenses already paid. Conversely, any overpayment by Tenant shall be rebated by Landlord to Tenant not later than 30 days after such final determination. However, in lieu thereof, Landlord may deliver a reasonable estimate of the anticipated reconciliation amount to Tenant prior to the Expiration Date of the Term, in which event the appropriate party shall fund the amount by the Expiration Date.

(e) If, at any time during any Expense Recovery Period, any one or more of the Operating Expenses are increased to a rate(s) or amount(s) in excess of the rate(s) or amount(s) used in calculating the estimated Tenant's Share of Operating Expenses for the year, then the estimate of Tenant's Share of



Operating Expenses may be increased by written notice from Landlord for the month in which such rate(s) or amount(s) becomes effective and for all succeeding months by an amount equal to the estimated amount of Tenant's Share of the increase. Landlord shall give Tenant written notice of the amount or estimated amount of the increase, the month in which the increase will become effective, Tenant's Share thereof in excess of the Project Cost Base and of the Property Tax Base and the months for which the payments are due. Tenant shall pay the increase to Landlord as part of the Tenant's monthly payments of estimated expenses as provided in paragraph (b) above, commencing with the month in which effective.

(f) The term "**Operating Expenses**" shall mean and include all Project Costs, as defined in Section (g) below, and Property Taxes, as defined in Section (h) below. The Operating Expenses shall be extrapolated by Landlord to reflect at least a 95% occupancy level.

(g) The term "**Project Costs**" shall mean all expenses of operation, management, repair, replacement and maintenance of the Building and the Project, including without limitation all appurtenant Common Areas (as defined in Section 6.2 of the Lease), and shall include the following charges by way of illustration but not limitation: water and sewer charges; insurance premiums, deductibles, or reasonable premium equivalents or deductible equivalents should Landlord elect to self insure any risk that Landlord is authorized to insure hereunder; license, permit, and inspection fees; light; power; window washing; trash pickup; janitorial services; heating, ventilating and air conditioning; supplies; materials; equipment; tools; reasonable fees for consulting services; access control/security costs, inclusive of the reasonable cost of improvements made to enhance access control systems and procedures; costs incurred in connection with compliance with any laws or changes in laws applicable to the Building or the Project; the cost of any capital improvements or replacements (i) made as a requirement of any governmental law or regulation or any insurance requirement or (ii) for the acquisition and installation of any device or equipment designed or anticipated to improve the operating efficiency of any system within the Project or Building, or which is intended to reduce Operating Expenses and which is properly capitalized or (iii) made or acquired to improve the safety of the Building or the Project or to replace obsolete or worn-out equipment, (other than tenant improvements for specific tenants) to the extent of the amortized amount thereof over the useful life of such capital improvements or replacements (or, if such capital improvements or replacements are anticipated to achieve a cost savings as to the Operating Expenses, any shorter estimated period of time over which the cost of the capital improvements or replacements would be recovered from the estimated cost savings) calculated at a market cost of funds, all as determined by Landlord, for each year of useful life or shorter recovery period of such capital expenditure; costs associated with the maintenance of an air conditioning, heating and ventilation service agreement, and maintenance of an intrabuilding network cable service agreement for any intrabuilding network cable telecommunications lines within the Project, and any other maintenance, repair and replacement costs associated with such lines; capital costs associated with a requirement related to demands on utilities by Project tenants, including without limitation the cost to obtain additional phone connections; labor; reasonably allocated wages and salaries, fringe benefits, and payroll taxes for administrative and other personnel directly applicable to the Building and/or Project, including both Landlord's personnel and outside personnel; any expense incurred pursuant to Sections 6.1, 6.2, 7.2, 10.2, and **Exhibit C** of the Lease (except as otherwise provided in said **Exhibit C**); and reasonable overhead and/or management fees for the professional operation of the Project. It is understood and agreed that Project Costs may include competitive charges for direct services (including, without limitation, management and/or operations services) provided by any subsidiary, division or affiliate of Landlord.

(h) The term "**Property Taxes**" as used herein shall include any form of federal, state, county or local government or municipal taxes, fees, charges or other impositions of every kind (whether general, special, ordinary or extraordinary) related to the ownership, leasing or operation of the Premises, Building or Project, including without limitation, the following: (i) all real estate taxes or personal property taxes levied against the Premises, the Building or Project, as such property taxes may be reassessed from time to time; and (ii) other taxes, charges and assessments which are levied with respect to this Lease or to the Building and/or the Project, and any improvements, fixtures and equipment and other property of Landlord located in the Building and/or the Project, (iii) all assessments and fees for public improvements, services, and facilities and impacts thereon, including without limitation arising out of any Community Facilities Districts, "Mello Roos" districts, similar assessment districts, and any traffic impact mitigation assessments or fees; (iv) any tax, surcharge or assessment which shall be levied in addition to or in lieu of real estate or personal property taxes, and (v) taxes based on the receipt of rent (including gross receipts or sales taxes applicable to the receipt of rent), and (vi) costs and expenses incurred in contesting the amount or validity of any Property Tax by appropriate proceedings. Notwithstanding the foregoing, general net income or franchise taxes imposed against Landlord shall be excluded.

(i) Notwithstanding the foregoing, Operating Expenses shall exclude the following:

(1) Any ground lease rental;

(2) Costs incurred by Landlord with respect to goods and services (including utilities sold and supplied to tenants and occupants of the Building) to the extent that Landlord is reimbursed for such costs other than through the Operating Expense pass-through provisions of such tenants' lease;

(3) Costs incurred by Landlord for repairs, replacements and/or restoration to or of the Building to the extent that Landlord is reimbursed by insurance or condemnation proceeds or by tenants (other than through Operating Expense pass-throughs), warrantors or other third persons;

(4) Costs, including permit, license and inspection costs, incurred with respect to the installation of tenant improvements made for other tenants in the Building or incurred in renovating or otherwise improving, decorating, painting or redecorating vacant space for tenants or other occupants of the Building;

(5) Costs arising from Landlord's charitable or political contributions;

(6) Attorneys' fees and other costs and expenses incurred in connection with negotiations or disputes with present or prospective tenants or other occupants of the Building, except those attorneys' fees and other costs and expenses incurred in connection with negotiations, disputes or claims relating to items of Operating Expenses, enforcement of rules and regulations of the Building and such other matters relating to the maintenance of standards required of Landlord under this Lease;

(7) Capital expenditures as determined in accordance with generally accepted accounting principles, consistently applied, and as generally practiced in the real estate industry ("GAAP"), except as otherwise provided above;

(8) Brokers commissions, finders' fees, attorneys' fees, entertainment and travel expenses and other costs incurred by Landlord in leasing or attempting to lease space in the Building;

(9) Expenses in connection with services or other benefits which are not offered to Tenant or for which Tenant is charged for directly but which are provided to another tenant or occupant of the Building;

(10) Costs incurred by Landlord due to the violation by Landlord of any law, code, regulation, or ordinance;

(11) Overhead and profit increments paid to subsidiaries or affiliates of Landlord for services provided to the Building to the extent the same exceeds the costs that would generally be charged for such services if rendered on a competitive basis (based upon a standard of similar office buildings in the general market area of the Premises) by unaffiliated third parties capable of providing such service;

(12) Interest on debt or amortization on any mortgage or mortgages encumbering the Building;

(13) Landlord's general corporate overhead, except as it relates to the specific management, operation, repair, replacement and maintenance of the Building or Project;

(14) Costs of installing the initial landscaping and the initial sculpture, paintings and objects of art for the Building and Project;

(15) Advertising expenditures;

(16) Any bad debt loss, rent loss, or reserves for bad debts or rent loss;

(17) Costs associated with the operation of the business of the partnership or entity which constitutes the Landlord, as the same are distinguished from the costs of the operation, management, repair, replacement and maintenance of the Project, including partnership accounting and legal matters, costs of defending any lawsuits with any mortgagee (except as the actions of Tenant may be in issue), costs of selling, syndicating, financing, mortgaging or hypothecating any of Landlord's interest in the Project, and costs incurred in connection with any disputes between Landlord and its employees, between Landlord and Project management, or between Landlord and other tenants or occupants;

(18) The wages and benefits of any employee who does not devote substantially all of his or her employed time to the Project unless such wages and benefits are prorated to reflect time spent on operating and managing the Project vis-à-vis time spent on matters unrelated to operating and managing the Project; provided that in no event shall Project Costs include wages and/or benefits attributable to personnel above the level of portfolio property manager or chief engineer;

(19) Costs incurred by Landlord for improvements or replacements (including structural additions), repairs, equipment and tools which are of a "capital" nature and/or which are considered "capital" improvements or replacements under GAAP, except to the extent included in Project Costs pursuant to the definition above or by other express terms of this Lease; and

(20) Legal fees and costs, settlements, judgments or awards paid or incurred because of disputes between Landlord and other tenants or prospective occupants or prospective tenants/occupants or providers of goods and services to the Project.

## EXHIBIT C

### UTILITIES AND SERVICE

The following standards for utilities and services shall be in effect at the Building. Landlord reserves the right to adopt nondiscriminatory modifications and additions to these standards. In the case of any conflict between these standards and the Lease, the Lease shall be controlling. Subject to all of the provisions of the Lease, the following shall apply:

1. Landlord shall make available to the Premises during the hours of 8:00 a.m. to 6:00 p.m., Monday through Friday, and on request by Tenant, on Saturdays from 8:00 AM to 1:00 PM ("**Building Hours**"), generally recognized national holidays excepted, reasonable HVAC services. Subject to the provisions set forth below, Landlord shall also furnish the Building with elevator service (if applicable), reasonable amounts of electric current for normal lighting by Landlord's standard overhead fluorescent and incandescent fixtures and for the operation of office equipment consistent in type and quantity with that utilized by typical office tenants of the Building and Project, and water for lavatory purposes. Tenant will not, without the prior written consent of Landlord, connect any apparatus, machine or device with water pipes or electric current (except through existing electrical outlets in the Premises) for the purpose of using electric current or water.

2. Upon written request from Tenant delivered to Landlord at least 24 hours prior to the period for which service is requested, but during normal business hours, Landlord will provide any of the foregoing building services to Tenant at such times when such services are not otherwise available. Tenant agrees to pay Landlord for those after-hour services at rates that Landlord may establish from time to time. If Tenant requires electric current in excess of that which Landlord is obligated to furnish under this **Exhibit C**, Tenant shall first obtain the consent of Landlord, and Landlord may cause an electric current meter to be installed in the Premises to measure the amount of electric current consumed. The cost of installation, maintenance and repair of the meter shall be paid for by Tenant, and Tenant shall reimburse Landlord promptly upon demand for all electric current consumed for any special power use as shown by the meter.

3. Landlord shall furnish water for drinking, personal hygiene and lavatory purposes only.

4. In the event that any utility service to the Premises is separately metered or billed to Tenant, Tenant shall pay all charges for that utility service to the Premises and the cost of furnishing the utility to tenant suites shall be excluded from the Operating Expenses as to which reimbursement from Tenant is required in the Lease.

5. Landlord shall provide janitorial services, after Building Hours, 5 days per week, equivalent to that furnished in comparable buildings, and window washing as reasonably required; provided, however, that Tenant shall pay for any additional or unusual janitorial services.

6. Tenant shall have access to the Building 24 hours per day, 7 days per week, 52 weeks per year; provided that Landlord may install access control systems as it deems advisable for the Building. Landlord may impose a reasonable charge for access control cards and/or keys issued to Tenant.

7. The costs of operating, maintaining and repairing any supplemental air conditioning unit serving only the Premises shall be borne solely by Tenant. Such installation shall be subject to Landlord's prior written approval, at Tenant's sole expense and shall include installation of a separate meter for the operation of the unit. Landlord may require Tenant to remove at Lease expiration any such unit installed by or for Tenant and to repair any resulting damage to the Premises or Building.

**EXHIBIT D**

**TENANT'S INSURANCE**

The following requirements for Tenant's insurance shall be in effect during the Term, and Tenant shall also cause any subtenant to comply with the requirements. Landlord reserves the right to adopt reasonable nondiscriminatory modifications and additions to these requirements.

1. Tenant shall maintain, at its sole cost and expense, during the entire Term: (i) commercial general liability insurance with respect to the Premises and the operations of Tenant in, on or about the Premises, on a policy form that is at least as broad as Insurance Service Office (ISO) CGL 00 01 (if alcoholic beverages are sold on the Premises, liquor liability shall be explicitly covered), which policy(ies) shall be written on an "occurrence" basis and for not less than \$2,000,000 combined single limit per occurrence for bodily injury, death, and property damage liability; (ii) workers' compensation insurance coverage as required by law, together with employers' liability insurance coverage of at least \$1,000,000 each accident and each disease; (iii) with respect to Alterations constructed by Tenant under this Lease, builder's risk insurance, in an amount equal to the replacement cost of the work; and (iv) insurance against fire, vandalism, malicious mischief and such other additional perils as may be included in a standard "special form" policy, insuring all Alterations, trade fixtures, furnishings, equipment and items of personal property in the Premises, in an amount equal to not less than 90% of their replacement cost (with replacement cost endorsement), which policy shall also include business interruption coverage in an amount sufficient to cover 1 year of loss. In no event shall the limits of any policy be considered as limiting the liability of Tenant under this Lease.

2. All policies of insurance required to be carried by Tenant pursuant to this **Exhibit D** shall be written by insurance companies authorized to do business in the State of California and with a general policyholder rating of not less than "A-" and financial rating of not less than "VIII" in the most current Best's Insurance Report. The deductible or other retained limit under any policy carried by Tenant shall be commercially reasonable, and Tenant shall be responsible for payment of such deductible or retained limit with waiver of subrogation in favor of Landlord. Any insurance required of Tenant may be furnished by Tenant under any blanket policy carried by it or under a separate policy. A certificate of insurance, certifying that the policy has been issued, provides the coverage required by this Exhibit and contains the required provisions, together with endorsements acceptable to Landlord evidencing the waiver of subrogation and additional insured provisions required below, shall be delivered to Landlord prior to the date Tenant is given the right of possession of the Premises. Proper evidence of the renewal of any insurance coverage shall also be delivered to Landlord not less than thirty (30) days prior to the expiration of the coverage. In the event of a loss covered by any policy under which Landlord is an additional insured, Landlord shall be entitled to review a copy of such policy.

3. Tenant's commercial general liability insurance shall contain a provision that the policy shall be primary to and noncontributory with any policies carried by Landlord, together with a provision including Landlord and any other parties in interest designated by Landlord as additional insureds. Tenant's policies described in Subsections 1 (ii), (iii) and (iv) above shall each contain a waiver by the insurer of any right to subrogation against Landlord, its agents, employees, contractors and representatives. Tenant also waives its right of recovery for any deductible or retained limit under same policies enumerated above. All of Tenant's policies shall contain a provision that the insurer will not cancel or change the coverage provided by the policy without first giving Landlord 30 days prior written notice. Tenant shall also name Landlord as an additional insured on any excess or umbrella liability insurance policy carried by Tenant.

**NOTICE TO TENANT: IN ACCORDANCE WITH THE TERMS OF THIS LEASE, TENANT MUST PROVIDE EVIDENCE OF THE REQUIRED INSURANCE TO LANDLORD'S MANAGEMENT AGENT PRIOR TO BEING AFFORDED ACCESS TO THE PREMISES.**

**EXHIBIT E**

**RULES AND REGULATIONS**

The following Rules and Regulations shall be in effect at the Building. Landlord reserves the right to adopt reasonable nondiscriminatory modifications and additions at any time. In the case of any conflict between these regulations and the Lease, the Lease shall be controlling.

1. The sidewalks, halls, passages, elevators, stairways, and other common areas shall not be obstructed by Tenant or used by it for storage, for depositing items, or for any purpose other than for ingress to and egress from the Premises. Should Tenant have access to any balcony or patio area, Tenant shall not place any furniture other personal property in such area without the prior written approval of Landlord.

2. Neither Tenant nor any employee or contractor of Tenant shall go upon the roof of the Building without the prior written consent of Landlord.

3. Tenant shall, at its expense, be required to utilize the third party contractor designated by Landlord for the Building to provide any telephone wiring services from the minimum point of entry of the telephone cable in the Building to the Premises.

4. No antenna or satellite dish shall be installed by Tenant without the prior written agreement of Landlord.

5. The sashes, sash doors, windows, glass lights, solar film and/or screen, and any lights or skylights that reflect or admit light into the halls or other places of the Building shall not be covered or obstructed. If Landlord, by a notice in writing to Tenant, shall object to any curtain, blind, tinting, shade or screen attached to, or hung in, or used in connection with, any window or door of the Premises, the use of that curtain, blind, tinting, shade or screen shall be immediately discontinued and removed by Tenant. Interior of the Premises visible from the exterior must be maintained in a visually professional manner and consistent with a first class office building. Tenant shall not place any unsightly items (as determined by Landlord in its reasonable discretion) along the exterior glass line of the Premises including, but not limited to, boxes, and electrical and data cords. No awnings shall be permitted on any part of the Premises.

6. The installation and location of any unusually heavy equipment in the Premises, including without limitation file storage units, safes and electronic data processing equipment, shall require the prior written approval of Landlord. The moving of large or heavy objects shall occur only between those hours as may be designated by, and only upon previous notice to, Landlord. No freight, furniture or bulky matter of any description shall be received into or moved out of the lobby of the Building or carried in any elevator other than the freight elevator (if available) designated by Landlord unless approved in writing by Landlord.

7. Any pipes or tubing used by Tenant to transmit water to an appliance or device in the Premises must be made of copper or stainless steel, and in no event shall plastic tubing be used for that purpose.

8. Tenant shall not place any lock(s) on any door in the Premises or Building without Landlord's prior written consent, which consent shall not be unreasonably withheld. Upon the termination of its tenancy, Tenant shall deliver to Landlord all the keys to offices, rooms and toilet rooms and all access cards which shall have been furnished to Tenant or which Tenant shall have had made.

9. Tenant shall not install equipment requiring electrical or air conditioning service in excess of that to be provided by Landlord under the Lease without prior written approval from Landlord.

10. Tenant shall not use space heaters within the Premises.

11. Tenant shall not do or permit anything to be done in the Premises, or bring or keep anything in the Premises, which shall in any way increase the insurance on the Building, or on the property kept in the Building, or interfere with the rights of other tenants, or conflict with any government rule or regulation.

12. Tenant shall not use or keep any foul or noxious gas or substance in the Premises.

13. Tenant shall not permit the Premises to be occupied or used in a manner offensive or objectionable to Landlord or other occupants of the Building by reason of noise, odors and/or vibrations, or interfere in any way with other tenants or those having business with other tenants.

14. Tenant shall not permit any pets or animals in or about the Building. Bona fide service animals are permitted provided such service animals are pre-approved by Landlord, remain under the direct control of the individual they serve at all times, and do not disturb or threaten others.

15. Neither Tenant nor its employees, agents, contractors, invitees or licensees shall bring any firearm, whether loaded or unloaded, into the Project at any time.

16. Smoking tobacco, including via personal vaporizers or other electronic cigarettes, anywhere within the Premises, Building or Project is strictly prohibited except that smoking tobacco may be permitted outside the Building and within the Project only in areas designated by Landlord. Smoking, vaping, distributing, growing or manufacturing marijuana or any marijuana derivative anywhere within the Premises, Building or Project is strictly prohibited.

17. Tenant shall not install an aquarium of any size in the Premises unless otherwise approved by Landlord.

18. Tenant shall not utilize any name selected by Landlord from time to time for the Building and/or the Project as any part of Tenant's corporate or trade name. Landlord shall have the right to change the name, number or designation of the Building or Project without liability to Tenant. Tenant shall not use any picture of the Building in its advertising, stationery or in any other manner.

19. Tenant shall, upon request by Landlord, supply Landlord with the names and telephone numbers of personnel designated by Tenant to be contacted on an after-hours basis should circumstances warrant.

20. Landlord may from time to time grant tenants individual and temporary variances from these Rules, provided that any variance does not have a material adverse effect on the use and enjoyment of the Premises by Tenant.

**EXHIBIT F**

**PARKING**

Tenant shall be entitled to the number of vehicle parking spaces set forth in Item 11 of the Basic Lease Provisions, which spaces shall be unreserved and unassigned, on those portions of the Common Areas designated by Landlord for parking. Tenant shall not use more parking spaces than such number. All parking spaces shall be used only for parking of vehicles no larger than full size passenger automobiles, sport utility vehicles or pickup trucks. Tenant shall not permit or allow any vehicles that belong to or are controlled by Tenant or Tenant's employees, suppliers, shippers, customers or invitees to be loaded, unloaded or parked in areas other than those designated by Landlord for such activities. If Tenant permits or allows any of the prohibited activities described above, then Landlord shall have the right, without notice, in addition to such other rights and remedies that Landlord may have, to remove or tow away the vehicle involved and charge the costs to Tenant. Parking within the Common Areas shall be limited to striped parking stalls, and no parking shall be permitted in any driveways, access ways or in any area which would prohibit or impede the free flow of traffic within the Common Areas. There shall be no parking of any vehicles for longer than a forty-eight (48) hour period unless otherwise authorized by Landlord, and vehicles which have been abandoned or parked in violation of the terms hereof may be towed away at the owner's expense. Nothing contained in this Lease shall be deemed to create liability upon Landlord for any damage to motor vehicles of visitors or employees, for any loss of property from within those motor vehicles, or for any injury to Tenant, its visitors or employees, unless ultimately determined to be caused by the sole negligence or willful misconduct of Landlord. Landlord shall have the right to establish, and from time to time amend, and to enforce against all users all reasonable rules and regulations (including the designation of areas for employee parking) that Landlord may deem necessary and advisable for the proper and efficient operation and maintenance of parking within the Common Areas. Landlord shall have the right to construct, maintain and operate lighting facilities within the parking areas; to change the area, level, location and arrangement of the parking areas and improvements therein; to restrict parking by tenants, their officers, agents and employees to employee parking areas; to enforce parking charges (by operation of meters or otherwise); and to do and perform such other acts in and to the parking areas and improvements therein as, in the use of good business judgment, Landlord shall determine to be advisable. Any person using the parking area shall observe all directional signs and arrows and any posted speed limits. In no event shall Tenant interfere with the use and enjoyment of the parking area by other tenants of the Project or their employees or invitees. Parking areas shall be used only for parking vehicles. Washing, waxing, cleaning or servicing of vehicles, or the storage of vehicles for longer than 48-hours, is prohibited unless otherwise authorized by Landlord. Tenant shall be liable for any damage to the parking areas caused by Tenant or Tenant's employees, suppliers, shippers, customers or invitees, including without limitation damage from excess oil leakage. Tenant shall have no right to install any fixtures, equipment or personal property in the parking areas. Tenant shall not assign or sublet any of the vehicle parking spaces, either voluntarily or by operation of law, without the prior written consent of Landlord, except in connection with an authorized assignment of this Lease or subletting of the Premises.

EXHIBIT G

ADDITIONAL PROVISIONS

The following additional provisions shall be binding on Landlord and Tenant:

**1. RIGHT TO EXTEND THIS LEASE.** Provided that no Default has occurred under any provision of this Lease, either at the time of exercise of the extension right granted herein or at the time of the commencement of such extension, and provided further that Tenant is occupying the entire Premises and has not assigned or sublet any of its interest in this Lease, then Tenant may extend the Term of this Lease for 1 extension period of 36 months. Tenant shall exercise its right to extend the Term by and only by delivering to Landlord, not less than 9 months or more than 12 months prior to the Expiration Date of the Term, Tenant's irrevocable written notice of its commitment to extend (the "**Commitment Notice**"). The Basic Rent payable under the Lease during any extension of the Term shall be determined as provided in the following provisions.

If Landlord and Tenant have not by then been able to agree upon the Basic Rent for the extension of the Term, then not less than 90 days or more than 120 days prior to the Expiration Date of the Term, Landlord shall notify Tenant in writing of the Basic Rent that would reflect the prevailing market rental rate for a 36-month renewal of comparable space in the Project (together with any increases thereof during the extension period) as of the commencement of the extension period ("**Landlord's Determination**"). Should Tenant disagree with the Landlord's Determination, then Tenant shall, not later than 20 days thereafter, notify Landlord in writing of Tenant's determination of those rental terms ("**Tenant's Determination**"). Within 10 days following delivery of the Tenant's Determination, the parties shall attempt to agree on an appraiser to determine the fair market rental. If the parties are unable to agree in that time, then each party shall designate an appraiser within 10 days thereafter. Should either party fail to so designate an appraiser within that time, then the appraiser designated by the other party shall determine the fair market rental. Should each of the parties timely designate an appraiser, then the two appraisers so designated shall appoint a third appraiser who shall, acting alone, determine the fair market rental for the Premises. Any appraiser designated hereunder shall have an MAI certification with not less than 5 years experience in the valuation of commercial industrial buildings in the vicinity of the Project.

Within 30 days following the selection of the appraiser and such appraiser's receipt of the Landlord's Determination and the Tenant's Determination, the appraiser shall determine whether the rental rate determined by Landlord or by Tenant more accurately reflects the fair market rental rate for the 36-month renewal of the Lease for the Premises, as reasonably extrapolated to the commencement of the extension period. Accordingly, either the Landlord's Determination or the Tenant's Determination shall be selected by the appraiser as the fair market rental rate for the extension period. In making such determination, the appraiser shall consider rental comparables for the Project (provided that if there are an insufficient number of comparables within the Project, the appraiser shall consider rental comparables for similarly improved space owned by Landlord in the vicinity of the Project with appropriate adjustment for location and quality of project), but the appraiser shall not attribute any factor for brokerage commissions in making its determination of the fair market rental rate. At any time before the decision of the appraiser is rendered, either party may, by written notice to the other party, accept the rental terms submitted by the other party, in which event such terms shall be deemed adopted as the agreed fair market rental. The fees of the appraiser(s) shall be borne equally by both parties.

Within 20 days after the determination of the fair market rental, Landlord shall prepare an appropriate amendment to this Lease for the extension period, and Tenant shall execute and return same to Landlord within 10 days after Tenant's receipt of same. Should the fair market rental not be established by the commencement of the extension period, then Tenant shall continue paying rent at the rate in effect during the last month of the initial Term, and a lump sum adjustment shall be made promptly upon the determination of such new rental.

If Tenant fails to timely exercise the extension right granted herein within the time period expressly set forth for exercise by Tenant in the initial paragraph of this Section, Tenant's right to extend the Term shall be extinguished and the Lease shall automatically terminate as of the expiration date of the Term, without any extension and without any liability to Landlord. Tenant's rights under this Section shall belong solely to Cambium Networks, Inc., a Delaware corporation, and any attempted assignment or transfer of such rights shall be void and of no force and effect. Tenant shall have no other right to extend the Term beyond the single 36 month extension period created by this Section. Unless agreed to in a writing signed by Landlord and Tenant, any extension of the Term, whether created by an amendment to this Lease or by a holdover of the Premises by Tenant, or otherwise, shall be deemed a part of, and not in addition to, any duly exercised extension period permitted by this Section.



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**EXHIBIT H**

**LANDLORD'S DISCLOSURES**

None

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EXHIBIT X

WORK LETTER

BUILD TO SUIT  
(Turn-key)

The tenant improvement work (the “**Tenant Improvements**” and the “**Tenant Improvement Work**”) shall consist of the work, including work in place as of the date hereof, required to complete the improvements to the Premises as shown in the space plan (the “**Plan**”) prepared by \_\_\_\_\_, dated \_\_\_\_\_, and the cost estimate (the “**Cost Estimate**”) prepared by \_\_\_\_\_, dated \_\_\_\_\_. The Tenant Improvement Work shall be performed by a contractor selected by Landlord and in accordance with the requirements and procedures set forth below.

I. ARCHITECTURAL AND CONSTRUCTION PROCEDURES.

A. Landlord shall cause its contractor to construct the Tenant Improvements at Landlord’s sole cost and expense, provided that any additional cost resulting from “Changes” (as hereinafter defined) requested by Tenant and “Alternates” shown in the Plan which are elected by Tenant (if any) shall be borne solely by Tenant and paid to Landlord as hereinafter provided. Unless otherwise specified in the Plan or Cost Estimate, all materials, specifications and finishes utilized in constructing the Tenant Improvements shall be Landlord’s building standard tenant improvements, materials and specifications for the Project as set forth in Schedule I attached hereto (“**Standard Improvements**”), except for those additions or variations to Building Standard Improvements expressly approved by Landlord and noted on the Plan (any such addition or variation from the Standard Improvements shall be referred to herein as a “**Non-Standard Improvement**”). Should Landlord submit any additional plans, equipment specification sheets, or other matters to Tenant for approval or completion in connection with the Tenant Improvement Work, Tenant shall respond in writing, as appropriate, within 5 business days unless a shorter period is provided herein. Tenant shall not unreasonably withhold its approval of any matter, and any disapproval shall be limited to items not previously approved by Tenant in the Plan or otherwise.

B. In the event that Tenant requests in writing a revision to the Plan (“**Change**”), and Landlord so approves such Change as provided in the Section next below, Landlord shall advise Tenant by written change order as soon as is practical of any increase in the cost to complete the Tenant Improvement Work that such Change would cause. Such cost shall include an construction management fee to be paid to Landlord or to Landlord’s management agent in the amount of 3% of the cost of such Change. Tenant shall approve or disapprove such change order, if any, in writing within 2 business days following Tenant’s receipt of such change order. If Tenant approves any such change order, Landlord, at its election, may either (i) require as a condition to the effectiveness of such change order that Tenant pay the increase in the cost attributable to such change order concurrently with delivery of Tenant’s approval of the change order, or (ii) defer Tenant’s payment of such increase until the date 10 business days after delivery of invoices for same, provided however, that the increase in cost must in any event be paid in full prior to Tenant’s commencing occupancy of the Premises. If Tenant disapproves any such change order, Tenant shall nonetheless be responsible for the reasonable architectural and/or planning fees incurred in preparing such change order. Landlord shall have no obligation to interrupt or modify the Tenant Improvement Work pending Tenant’s approval of a change order, but if Tenant fails to timely approve a change order, Landlord may (but shall not be required to) suspend the applicable Tenant Improvement Work, in which event any related critical path delays because of such suspension shall constitute Tenant Delays hereunder.

C. Landlord agrees that it shall not unreasonably withhold its consent to Tenant’s requested Changes, provided that such consent may be withheld in all events if the requested Change (i) is of a lesser quality than the Tenant Improvements previously approved by Landlord, (ii) fails to conform to applicable governmental requirements, (iii) would result in the Premises requiring building services beyond the level Landlord has agreed to provide Tenant under the Lease, (iv) would delay construction of the Tenant Improvements and Tenant declines to accept such delay in writing as a Tenant Delay, (v) interferes in any manner with the proper functioning of, or Landlord’s access to, any mechanical, electrical, plumbing or HVAC systems, facilities or equipment in or serving the Building, or (vi) would have an adverse aesthetic impact to the Premises or would cause additional expenses to Landlord in reletting the Premises.

D. Notwithstanding any provision in the Lease to the contrary, and not by way of limitation of any other rights or remedies of Landlord, if Tenant fails to comply with any of the time periods specified in this Work Letter, fails otherwise to approve or reasonably disapprove any submittal within the time period specified herein for such response (or if no time period is so specified, within 5 business days following Tenant’s receipt thereof), requests any Changes, furnishes inaccurate or erroneous specifications or other information, or otherwise delays in any manner the completion of the Tenant Improvements (including without limitation by specifying materials that are not readily available) or the issuance of an occupancy certificate (any of the foregoing being referred to in this Lease as a “**Tenant Delay**”), then Tenant shall bear any resulting additional construction cost or other expenses, and the Commencement Date of this Lease shall be deemed to have occurred for all purposes, including without limitation Tenant’s obligation to pay rent, as of the date Landlord reasonably determines that it would have been able to deliver the Premises to Tenant but for the collective Tenant Delays. Should Landlord determine that the Commencement Date

should be advanced in accordance with the foregoing, it shall so notify Tenant in writing. Landlord's determination shall be conclusive unless Tenant notifies Landlord in writing, within 5 business days thereafter, of Tenant's election to contest same. Pending the outcome of such contest, Tenant shall make timely payment of all rent due under this Lease based upon the Commencement Date set forth in the aforesaid notice from Landlord.

E. All Standard Tenant Improvements and Non-Standard Improvements shall become the property of Landlord and shall be surrendered with the Premises at the end of the Term; except that Landlord may, by notice to Tenant given at the time of commencement of occupancy, require Tenant either (i) to remove all or any of the Non-Standard Improvements, any "Alternates" in the Plan which are elected by Tenant, and all or any of the Tenant Improvements approved by way of a Change requested by Tenant, to repair any damage to the Premises or the Common Area arising from such removal, and to replace any such Non-Standard Improvements with the applicable Building Standard Improvements, or (ii) to reimburse Landlord for the reasonable cost of such removal, repair and replacement upon demand. Any such removals, repairs and replacements by Tenant shall be completed by the Expiration Date, or sooner termination of this Lease, or within 10 business days following notice to Tenant if such notice is given following the Expiration Date or sooner termination.

F. Landlord shall permit Tenant and its agents to enter the Premises up to 15 days prior to the Commencement Date of the Lease in order that Tenant may install fixtures, furniture and cabling through Tenant's own contractors prior to the Commencement Date. Any such work shall be subject to Landlord's prior written approval, and shall be performed in a manner and upon terms and conditions and at times satisfactory to Landlord's representative. The foregoing license to enter the Premises prior to the Commencement Date is, however, conditioned upon Tenant's contractors and their subcontractors and employees working in harmony and not interfering with the work being performed by Landlord. If at any time that entry shall cause disharmony or interfere with the work being performed by Landlord, this license may be withdrawn by Landlord upon 24 hours written notice to Tenant. That license is further conditioned upon the compliance by Tenant's contractors with all requirements imposed by Landlord on third party contractors, including without limitation the maintenance by Tenant and its contractors and subcontractors of workers' compensation and public liability and property damage insurance in amounts and with companies and on forms satisfactory to Landlord, with certificates of such insurance being furnished to Landlord prior to proceeding with any such entry. The entry shall be deemed to be under all of the provisions of the Lease except as to the covenants to pay rent. Landlord shall not be liable in any way for any personal injury, and/or loss or damage of property which may occur in connection with such entry by Tenant or in connection with such work being performed by Tenant, the same being solely at Tenant's risk. In no event shall the failure of Tenant's contractors to complete any work in the Premises extend the Commencement Date of this Lease.

G. Tenant hereby designates Mike Andersen (**Tenant's Construction Representative**), Telephone No. (408) 802-6400, as its representative, agent and attorney-in-fact for all matters related to the Tenant Improvement Work, including but not by way of limitation, for purposes of receiving notices, approving submittals and issuing requests for Changes, and Landlord shall be entitled to rely upon authorizations and directives of such person(s) as if given directly by Tenant. The foregoing authorization is intended to provide assurance to Landlord that it may rely upon the directives and decision making of the Tenant's Construction Representative with respect to the Tenant Improvement Work and is not intended to limit or reduce Landlord's right to reasonably rely upon any decisions or directives given by other officers or representatives of Tenant. Any notices or submittals to, or requests of, Tenant related to this Work Letter and/or the Tenant Improvement Work may be sent to Tenant's Construction Representative at the email address above provided. Tenant may amend the designation of its Tenant's Construction Representative(s) at any time upon delivery of written notice to Landlord.

## II. TENANT IMPROVEMENT ALLOWANCE.

In addition to the Tenant Improvement Work, Landlord shall provide Tenant with an amount not to exceed \$88,250.00 ("**Tenant Improvement Allowance**") towards the "Completion Cost" of certain additional Landlord-approved improvements to the Premises (the "**Additional Improvements**"). As used herein, the "Completion Cost" shall mean all costs of Landlord in constructing and/or installing the Additional Improvements, including but not limited to the following: (i) payments made to architects, engineers, contractors, subcontractors and other third party consultants in the performance of the Additional Improvements, (ii) permit fees and other sums paid to governmental agencies, and (iii) costs of all materials incorporated into the Additional Improvements or used in connection with the Additional Improvements. The Completion Cost shall also include an administrative/supervision fee to be paid to Landlord or to Landlord's management agent in the amount of three percent (3%) of the Completion Cost. The Additional Improvements shall be undertaken on the following terms and conditions: (A) the Additional Improvements shall be Landlord's Building "Standard Improvements" (as defined in Schedule I attached) or such other improvements acceptable to Landlord, and (B) Landlord shall construct and/or install the approved Additional Improvements using its own contractors. Notwithstanding the foregoing, not later than the expiration of the 24<sup>th</sup> month of the initial Term, Tenant may elect, in writing, to utilize any unused portion of the Tenant Improvement Allowance as credits to reduce the scheduled installments of Basic Rent due and payable under this Lease from the commencement of the 25<sup>th</sup> month of the initial Term through the Expiration Date, such reductions to be on an equal and straight-line basis. Subject to the foregoing election for Basic Rent credits, the Tenant Improvements shall be substantially completed not later than the expiration of the 24<sup>th</sup> month of the initial Term to be eligible for funding by the Tenant Improvement Allowance and Landlord shall not be obligated to fund any portion of the Tenant Improvement Allowance after such date.

## Schedule I

### Tenant Improvement / Interior Construction Outline Specifications (By Tenant/Tenant Allowance)

**Note** During preliminary walk throughs, construction management is to confirm re-use of existing building components and provide direction to: 1) match existing , or 2) provide new building standard at all remodel conditions; or 3) provide upgrade to building standard based on project team input. Each suite to be reviewed on a case-by-case basis.

TENANT STANDARD      **CARPET**

GENERAL OFFICE:

Direct glue broadloom carpet.

**VINYL COMPOSITION TILE (VCT)**

12" x 12" VCT Armstrong Standard Excelon.

**WALLS**

Standard Walls: 5/8" gypsum drywall on 2-1/2" x 25 ga. metal studs 16" o.c., floor to ceiling construction. No walls shall penetrate the grid unless required by code. All walls shall be straight, and parallel to building exterior walls. All offices and rooms shall be constructed of a standard size and tangent to a building shell or core wall.

Exterior Walls (First Generation Only): 5/8" gypsum drywall furring on 25 ga. metal studs, with R-13 insulation.

**PAINT**

Paint finish, one standard color to be Benjamin Moore AC-40, Glacier White, flat finish. Dark colors subject to Landlord approval.

**BASE**

2-1/2" Burke rubber base; straight at cut pile carpet, coved at resilient flooring and loop carpet.

**RUBBER TRANSITION STRIP**

Transition strip between carpet and resilient flooring to be Burke #150, color: to match adjacent V.C.T.

**PLASTIC LAMINATE**

Plastic laminate color at millwork: Nevamar "Smoky White", Textured #S-7-27T.

**CEILING**

2x4 USG Radar Illusions #2842 scored ceiling tile, installed in building standard 9/16" or 15/16" T-bar grid. Continuous grid throughout.

**LIGHTING**

All spaces are to be illuminated with building standard 2 x 4 direct/indirect fixtures, approved by the Landlord.

**DOORS**

1-3/4" solid core, 3'-0" x 8'-10" plain sliced white oak, Western Integrated clear anodized aluminum frames, Schlage "D" series "Sparta" latchset hardware, dull chrome finish.

**OFFICE SIDELITES**

All interior offices to have sidelite glazing adjacent to office entry door, 4' wide x door height, Western Integrated clear anodized aluminum frame integral to door frame with clear tempered glass.

**WINDOW COVERINGS**

Vertical blinds: Mariak Industries PVC blinds at building perimeter windows, Model M-3000, Color: Light Grey.

**HVAC**

General: Exterior corner spaces with more than one exposure shall be provided with a separate zone. Conference Room (or Training Room) 20' x 13' or larger shall be provided with a separate zone. Exterior zone shall be limited to a single exposure and a maximum of 750 to 1000 square feet.

Campus Office Building: Interior and Exterior zone VAV boxes shall be connected to the main supply air loop. Exterior zone VAV boxes shall be provided with two-row hot water reheat coil. Interior zone shall be limited to a maximum of 2000 square feet.

Air distribution downstream of VAV boxes shall be provided complete with ductwork, 2'x2' perforated face ceiling diffusers, 2'x2' perforated return air grilles and air balance. All ductwork shall be sheet metal constructed per SMACNA standards and insulated per the latest Title 24 requirements.

Pneumatic thermostats with blank white cover shall be provided for each zone. Thermostats shall be located adjacent to light switch at 48" above finished floor. When the building utilizes DDC zone control, DDC system shall be Andover and installed by AAS. DDC system shall be interfaced to the existing Irvine Company network.

TENANT STANDARD  
MECHANICAL (CONTINUED):

Mid-Tech / Manufacturing Building: Air distribution downstream of packaged rooftop units and/or split system fan coil units shall be provided complete with ductwork, 2'x2' perforated face ceiling diffusers, 2'x2' perforated return air grilles and air balance. All ductwork shall be sheet metal constructed per SMACNA standards and insulated per the latest Title 24 requirements. Interior zone shall be limited to a maximum of 2500 square feet.

Packaged rooftop units and/or split system units shall be connected to existing Irvine Company Energy Management System. Thermostats shall be located adjacent to light switch at 48" above finished floor. EMS shall be Andover and installed by AAS.

New packaged rooftop units larger than 5-ton shall be provided with seismic isolation curb with minimum 1-inch spring deflection. New packaged rooftop units larger than 6.25 ton shall be provided with economizer with barometric relief damper.

TENANT STANDARD FIRE  
PROTECTION:

**FIRE PROTECTION**

Pendant satin chrome plated, recessed heads, adjustable canopies, minimum K factor to be 5.62, located at center of 2' x 2' section of scored ceiling tile. Ceiling drops from shell supply loop.

TENANT STANDARD FIRE  
SPRINKLER:

**FIRE SPRINKLER**

- Hard pipe to be used. Any substitutions to be submitted for Landlord review and approval prior to install.
- Center sprinkler head in 2x2 ceiling tile.

TENANT STANDARD  
ELECTRICAL:

**ELECTRICAL SYSTEM**

A 277/480 volt, three phase, four wire tenant metered distribution section will be added to main service at Main Electrical Room.

Tenant Electrical Room, located within the lease space, as directed by the Landlord, to include 277/480 volt and 120/208 volt panels, transformer, lighting control panel, as required. All newly installed panels and distribution boards shall have all branch circuit loads appropriately disaggregated per 2013 Title 24 requirements.

Standard tenant electrical capacity will be provided in the following capacity:

- Lighting 277V: Minimum of 1.2 watt watts per s.f.
- General 277V Power: As required to accommodate tenant loads.
- HVAC Power 277/480V: As required to accommodate the HVAC equipment.
- General 120/208V Power: Minimum of 8.0 watts per s.f.

**LIGHTING**

All spaces are to be illuminated with building standard 2' x 4', direct/indirect fixtures based on one (1) fixture per 96 square feet. All lighting in newly renovated areas (and associated existing areas with renovations mandated by 2013 Title 24 requirements) are to be illuminated with building standard 2'x4' direct/indirect LED 0-10V dimmable fixtures based on (1) fixture per 96 square feet.

Fixture to be Focal Point TICLED-24-4000L-35 (FLUL-24-PS-4000L-35K-1C-VOLT-LD1-GRID TYPE-EQ-WH) - All Fixtures should be ordered via Southern California Illumination, contact rep at 949-622-3000.

Any substitutions to these fixtures must be reviewed/approved by the Landlord.

All lighting in newly renovated areas (and associated existing areas with renovations mandated by 2013 Title 24 requirements) are to be controlled by 2013 Title 24 compliant digital lighting system, complete with room controller capable of full range 0-10V LED dimming, occupancy sensors, daylight sensors (as required), and low voltage digital switches as required for each respective enclosed space. Locate switches at 48" to switch centerline. Digital control system shall be by Greengate or equal by Wattstopper. Projects in excess of 10,000 square feet shall also have demand responsive controls via input / output interface at each room controller location with applicable low voltage conductors routed to tenant electrical room for future connection to demand response system per 2013 Title 24 requirements.

Exit signs: Internally illuminated, white sign face with green text.

**OUTLETS**

Power: Leviton "Decora" style 15 / 20 amp 125-volt specification grade white duplex receptacle mounted vertically, 18" AFF to centerline, with a white plastic coverplate.

2013 Title 24 controlled receptacles are to be plug load controllable decorator receptacle, 15A, half control, white in color Legrand #26252CHW. Receptacle relay shall be wired to room controller in respective vicinity or enclosed space for controlled receptacle to shut off during periods of vacancy.

TENANT STANDARD  
ELECTRICAL (CONTINUED):

All furniture systems will be assumed to be a four (4) circuit / eight (8) wire configuration. All furniture system workstations are assumed to have personal computers only and will be connected at a ratio of eight (8) workstations per four (4) circuit / eight (8) wire homerun. For each four circuit homerun, the two "general" circuits shall be controlled circuits per 2013 Title 24 requirements and shall be controlled by relays connected to the room controller in respective vicinity or enclosed space for controlled receptacles in partitions to shut off during periods of vacancy.

All wall mounted furniture system communication feeds will be provided with (2) 1 1/2" conduit (non-fire rated / non-insulated walls) OR (2) 1- 1/4" conduit (fire rated / insulated walls); a 4S/DP box and a double-gang mud ring in the wall. One (1) furniture system communication feeds will be assumed to be capable of providing enough cabling capacity for eight (8) workstations.

Power and Telecom Feeds to systems furniture by Tenant to be via walls, furred columns or ceiling J-box.

All wall mounted general communication outlets in non-fire rated / non-insulated walls will be provided a 2-gang mud ring and a pull string in the wall. All wall mounted communication outlets in fire-rated and insulated walls will be provided with 3/4" conduit (voice and / or data only) OR a 1" conduit (combination voice / data), stubbed into the accessible ceiling space, 4S/DP box and a single gang mud ring in the wall. Cover plate, jacks and cables by tenant.

A single tenant telecom room will be provided with a single 4' x 8' backboard. An empty 2" conduit will be routed from this backboard to the building's main telephone backboard. An empty 4" conduit sleeve will be stubbed into the accessible ceiling space.

TENANT STANDARD  
WAREHOUSE/SHIPPING AND  
RECEIVING (IF APPLICABLE):

**FLOORS**

Sealed concrete.

**WALLS**

5/8" gypsum wallboard standard partition, height and construction subject to Landlord approval. At furred walls, paint to match Benjamin Moore AC-40 Glacier White. Provide rated partition at occupancy separation, as required by code.

**CEILING**

Exposed structure, non-painted.

**WINDOWS**

None.

**ACCESS**

7'-6" H x 7'-6" W glazed service doors. Glazing is bronze reflective glass.

**HVAC**

None.

**PLUMBING**

Single accommodation restroom, if required.

Sheet vinyl flooring to be Armstrong Classic Corlon "Seagate" #86526 Oyster, with Smooth White FRP panel wainscot to 48" high. Painted walls and ceiling to be Benjamin Moore AC-40 Glacier White, semi-gloss finish.

**LIGHTING**

T5 High Bay, 2 x 4 fixtures.

**OTHER ELECTRICAL**

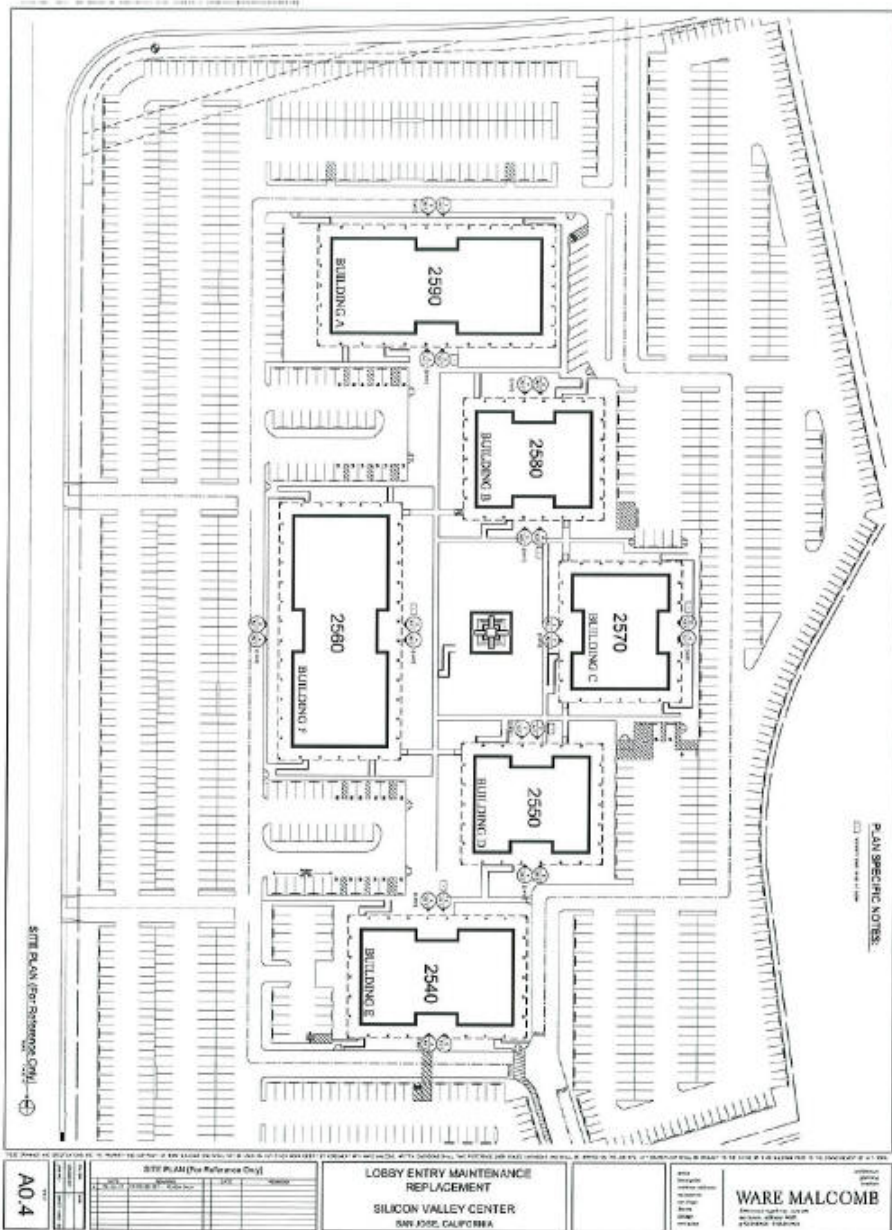
Convenience outlets; surface mounted at exposed concrete walls.

**SECURITY**

Lockable doors.

EXHIBIT Y

SITE PLAN





**SENIOR SECURED CREDIT FACILITIES  
AMENDED AND RESTATED CREDIT AGREEMENT**

dated as of December 21, 2017,

among

**CAMBIUM NETWORKS, LTD**  
as the Borrower,

**VECTOR CAMBIUM HOLDINGS (CAYMAN), L.P.**  
as Holdings,

**THE SEVERAL LENDERS FROM TIME TO TIME PARTY HERETO,**

**SILICON VALLEY BANK,**  
as Administrative Agent and Issuing Lender,

**SILICON VALLEY BANK,**  
as Joint Lead Arranger,

**HSBC BANK USA, N.A.**  
as Joint Lead Arranger,

**CADENCE BANK, N.A.**  
as Syndication Agent,

and

**MUFG UNION BANK, N.A.,**  
as Documentation Agent

## Table of Contents

<b>SECTION 1 DEFINITIONS</b>	2
<b>1.1 Defined Terms</b>	2
<b>1.2 Other Definitional Provisions</b>	46
<b>1.3 Limited Condition Acquisitions</b>	48
<b>SECTION 2 AMOUNT AND TERMS OF COMMITMENTS</b>	48
<b>2.1 Term Commitments</b>	48
<b>2.2 Procedure for Term Loan Borrowing</b>	48
<b>2.3 Repayment of Term Loans</b>	49
<b>2.4 Revolving Commitments</b>	49
<b>2.5 Procedure for Revolving Loan Borrowing</b>	50
<b>2.6 [Reserved]</b>	50
<b>2.7 [Reserved]</b>	50
<b>2.8 Overadvances</b>	51
<b>2.9 Commitment and Other Fees</b>	51
<b>2.10 Termination or Reduction of Revolving Commitments</b>	51
<b>2.11 Optional Prepayments and Early Term Loan Prepayment Fee</b>	52
<b>2.12 Mandatory Prepayments</b>	52
<b>2.13 Conversion and Continuation Options</b>	54
<b>2.14 Limitations on Eurodollar Tranches</b>	55
<b>2.15 Interest Rates and Payment Dates</b>	55
<b>2.16 Computation of Interest and Fees</b>	56
<b>2.17 Inability to Determine Interest Rate</b>	56
<b>2.18 Pro Rata Treatment and Payments</b>	56
<b>2.19 Illegality; Requirements of Law</b>	60
<b>2.20 Taxes</b>	62
<b>2.21 Indemnity</b>	67
<b>2.22 Change of Lending Office</b>	67
<b>2.23 Substitution of Lenders</b>	68
<b>2.24 Defaulting Lenders</b>	69
<b>2.25 Notes</b>	72
<b>2.26 Increase in Commitments</b>	72
<b>2.27 Extension of Maturity Date</b>	75

<b>SECTION 3 LETTERS OF CREDIT</b>	76
3.1    L/C Commitment	76
3.2    Procedure for Issuance of Letters of Credit	78
3.3    Fees and Other Charges	78
3.4    L/C Participations	79
3.5    Reimbursement	79
3.6    Obligations Absolute	80
3.7    Letter of Credit Payments	81
3.8    Applications	81
3.9    Interim Interest	81
3.10   Cash Collateral	81
3.11   Additional Issuing Lenders	82
3.12   Resignation of the Issuing Lender	83
3.13   Applicability of ISP	83
<b>SECTION 4 REPRESENTATIONS AND WARRANTIES</b>	83
4.1    Financial Condition	83
4.2    No Change	84
4.3    Existence; Compliance with Law	84
4.4    Power, Authorization; Enforceable Obligations	84
4.5    No Legal Bar	85
4.6    Litigation	85
4.7    No Default	85
4.8    Ownership of Property; Liens; Investments	85
4.9    Intellectual Property	85
4.10   Taxes	86
4.11   Federal Regulations	86
4.12   Labor Matters	86
4.13   ERISA	86
4.14   Investment Company Act; Other Regulations	87
4.15   Subsidiaries	87
4.16   Use of Proceeds	87
4.17   Environmental Matters	87
4.18   Accuracy of Information, etc.	88
4.19   Security Documents	89

4.20	Solvency	89
1.1	; Fraudulent Transfer	89
4.21	OFAC	90
4.22	Designated Senior Indebtedness	90
4.23	Anti-Corruption Laws	90
4.24	Insurance	90
4.25	Accounts Receivable	90
4.26	Capitalization	91
<b>SECTION 5 CONDITIONS PRECEDENT</b>		91
5.1	Conditions to Initial Extension of Credit	91
5.2	Conditions to Each Extension of Credit	95
<b>SECTION 6 AFFIRMATIVE COVENANTS</b>		96
6.1	Financial Statements	96
6.2	Certificates; Reports; Other Information	97
6.3	Accounts Receivable	98
6.4	Payment of Material Governmental Obligations	100
6.5	Maintenance of Existence; Compliance	100
6.6	Maintenance of Property; Insurance	100
6.7	Audits; Inspection of Property; Books and Records; Discussions	101
6.8	Notices	101
6.9	Environmental Laws	102
6.10	Operating Accounts	102
6.11	[Reserved]	102
6.12	Additional Collateral, etc.	103
6.13	Anti-Corruption Laws	104
6.14	Use of Proceeds	104
6.15	Further Assurances	104
<b>SECTION 7 NEGATIVE COVENANTS</b>		105
7.1	Financial Condition Covenants	105
7.2	Indebtedness	107
7.3	Liens	109
7.4	Fundamental Changes	111
7.5	Disposition of Property	111

7.6	Restricted Payments	112
7.7	Use of Proceeds	113
7.8	Investments	113
7.9	[Reserved]	114
7.10	Optional Payments and Modifications of Certain Preferred Stock and Debt Instruments	114
7.11	Transactions with Affiliates	115
7.12	Sale Leaseback Transactions	115
7.13	Swap Agreements	115
7.14	Accounting Changes	116
7.15	Negative Pledge Clauses	116
7.16	Clauses Restricting Subsidiary Distributions	116
7.17	Lines of Business	116
7.18	Anti-Terrorism Laws	116
7.19	Amendments to Organizational Agreements; Management Services Agreement	117
7.20	Use of Proceeds	117
7.21	Intercompany Indebtedness	117
<b>SECTION 8 EVENTS OF DEFAULT</b>		117
8.1	Events of Default	117
8.2	Remedies Upon Event of Default	120
8.3	Application of Funds	121
<b>SECTION 9 THE ADMINISTRATIVE AGENT</b>		122
9.1	Appointment and Authority	122
9.2	Delegation of Duties	123
9.3	Exculpatory Provisions	123
9.4	Reliance by Administrative Agent	124
9.5	Notice of Default	125
9.6	Non-Reliance on Administrative Agent and Other Lenders	125
9.7	Indemnification	126
9.8	Agent in Its Individual Capacity	126
9.9	Successor Administrative Agent	127
9.10	Collateral and Guaranty Matters	127

<b>9.11</b>	<b>Proofs of Claim</b>	129
<b>9.12</b>	<b>No Other Duties, Etc.</b>	129
<b>9.13</b>	<b>Reports and Financial Statements</b>	130
<b>SECTION 10 MISCELLANEOUS</b>		130
<b>10.1</b>	<b>Amendments and Waivers</b>	130
<b>10.2</b>	<b>Notices</b>	132
<b>10.3</b>	<b>No Waiver; Cumulative Remedies</b>	134
<b>10.4</b>	<b>Survival of Representations and Warranties</b>	135
<b>10.5</b>	<b>Payment of Expenses and Taxes</b>	135
<b>10.6</b>	<b>Successors and Assigns; Participations and Assignments</b>	136
<b>10.7</b>	<b>Adjustments; Set-off</b>	141
<b>10.8</b>	<b>Payments Set Aside</b>	142
<b>10.9</b>	<b>Interest Rate Limitation</b>	142
<b>10.10</b>	<b>Counterparts</b>	143
<b>10.11</b>	<b>Severability</b>	143
<b>10.12</b>	<b>Integration</b>	143
<b>10.13</b>	<b>GOVERNING LAW</b>	143
<b>10.14</b>	<b>Submission to Jurisdiction; Waivers</b>	143
<b>10.15</b>	<b>Acknowledgements</b>	144
<b>10.16</b>	<b>Releases of Guarantees and Liens</b>	145
<b>10.17</b>	<b>Confidentiality</b>	145
<b>10.18</b>	<b>Automatic Debits</b>	146
<b>10.19</b>	<b>Patriot Act</b>	146
<b>10.20</b>	<b>Acknowledgement and Consent to Bail-In of EEA Financial Institutions</b>	147
<b>10.21</b>	<b>Acknowledgement of Prior Obligations and Continuation Thereof</b>	147
<b>10.22</b>	<b>No Novation</b>	148

## SCHEDULES

Schedule 1.1A:	Commitments
Schedule 1.1B:	Existing Letters of Credit
Schedule 4.4:	Governmental Approvals, Consents, Authorizations, Filings and Notices
Schedule 4.5:	Requirements of Law
Schedule 4.13:	ERISA Plans
Schedule 4.15:	Subsidiaries
Schedule 4.17:	Environmental Matters
Schedule 4.19(a):	Financing Statements and Other Filings
Schedule 4.26:	Capitalization
Schedule 7.2(d):	Existing Indebtedness
Schedule 7.3(f):	Existing Liens
Schedule 7.11:	Transactions with Affiliates

## EXHIBITS

Exhibit A:	Reserved
Exhibit B:	Form of Compliance Certificate
Exhibit C:	Form of Managing Member's Certificate
Exhibit D-1:	Form of Solvency Certificate
Exhibit D-2:	Form of Declaration of Solvency
Exhibit E:	Form of Assignment and Assumption
Exhibit F-1-F-4:	Forms of U.S. Tax Compliance Certificates
Exhibit G:	Reserved
Exhibit H-1:	Form of Revolving Loan Note
Exhibit H-2:	Form of Term Loan Note
Exhibit I:	Form of Borrowing Base Certificate
Exhibit J:	Form of Notice of Borrowing
Exhibit K:	Form of Form of Collateral Information Certificate
Exhibit L:	Form of Notice of Conversion/Continuation

## AMENDED AND RESTATED CREDIT AGREEMENT

**THIS AMENDED AND RESTATED CREDIT AGREEMENT** (this “**Agreement**”), dated as of December 21, 2017, among **VECTOR CAMBIUM HOLDINGS (CAYMAN), L.P.**, an exempted limited partnership formed under the laws of the Cayman Islands with registration number 51343 and having its registered office at Intertrust Corporate Services (Cayman) Limited, 190 Elgin Avenue, George Town, Grand Cayman KY1-9005, Cayman Islands, acting by its general partner, Vector Capital Partners IV, L.P. an exempted limited partnership formed under the laws of the Cayman Islands, acting by its general partners, Vector Capital, L.L.C and Vector Capital, Ltd. (“**Holdings**” or “**CaymanCo1**”), **CAMBIUM NETWORKS, LTD**, a company incorporated under the laws of England and Wales with company number 07752773 and with its registered office at Unit B2, Linhay Business Park, Eastern Road, Ashburton, Newton Abbot, Devon TQ13 7UP, UK. (the “**Borrower**”), the several banks and other financial institutions or entities from time to time party to this Agreement (each a “**Lender**” and, collectively, the “**Lenders**”), **SILICON VALLEY BANK**, as the Issuing Lender, and **SILICON VALLEY BANK (“SVB”)**, as administrative agent for the Lenders (in such capacity, together with its successors in such capacity, the “**Administrative Agent**”).

### WITNESSETH:

**WHEREAS**, Holdings, Borrower, and SVB are parties to that certain Credit Agreement dated as of March 22, 2017 (the “**Original Closing Date**”) (as such agreement may have been amended, supplemented or otherwise modified from time to time prior to the Closing Date, the “**Existing Credit Agreement**”);

**WHEREAS**, immediately prior to the Closing Date, there are term loans outstanding under the Existing Credit Agreement in the principal amount of \$21,887,500 (the “**Existing Term Loans**”), revolving loans outstanding under the Existing Credit Agreement in the principal amount of \$0.00 (the “**Existing Revolving Loans**”) and the Existing Letters of Credit (as defined herein);

**WHEREAS**, the Borrower and the other Group Members desire to obtain financing to (i) refinance the obligations under the Existing Credit Agreement and (ii) finance, in part, the 2017 Dividend and the 2017 Management Fee (together with payment of fees and expenses in connection therewith, the “**Transaction**”), as well as for working capital financing, letter of credit facilities and other general corporate purposes permitted pursuant to the terms of this Agreement;

**WHEREAS**, the Lenders have agreed to extend certain credit facilities to the Borrower, upon the terms and conditions specified in this Agreement, in an aggregate amount not to exceed \$100,000,000, consisting of a term loan facility in the aggregate principal amount of \$90,000,000 and a revolving loan facility in an aggregate principal amount of \$10,000,000, including a letter of credit sub-facility in the aggregate availability amount of \$5,000,000; and

**WHEREAS**, the Borrower has agreed to continue to secure the Obligations by granting to the Security Trustee and the Administrative Agent, for the ratable benefit of the Secured Parties, a first priority lien (subject to Liens permitted by Section 7.3) on substantially all of its assets; and



**WHEREAS**, each of the Guarantors has agreed to continue to guarantee the Obligations of the Borrower and to continue to secure its Obligations by granting to the Security Trustee and the Administrative Agent, for the ratable benefit of the Secured Parties, a first priority lien on substantially all of its assets.

**NOW, THEREFORE**, the parties hereto hereby agree that the Existing Credit Agreement shall be amended and restated in its entirety to read as follows (it being further agreed that this Agreement shall not be deemed to evidence or result in a novation or repayment and reborrowing of the Obligations under, and as defined in, the Existing Credit Agreement):

## **SECTION 1 DEFINITIONS**

**1.1 Defined Terms.** As used in this Agreement (including the recitals hereof), the terms listed in this Section 1.1 shall have the respective meanings set forth in this Section 1.1.

**“ABR”**: for any day, a rate per annum equal to the higher of (a) the Prime Rate in effect on such day, (b) the Federal Funds Effective Rate plus 0.50% and (c) 3.50%. Any change in the ABR due to a change in the Prime Rate or the Federal Funds Effective Rate shall be effective as of the opening of business on the effective day of such change in the Prime Rate or the Federal Funds Effective Rate.

**“ABR Loans”**: Loans, the rate of interest applicable to which is based upon the ABR.

**“Account Debtor”**: any Person who may become obligated to any Person under, with respect to, or on account of, an Account, chattel paper or general intangibles (including a payment intangible). Unless otherwise stated, the term “Account Debtor,” when used herein, shall mean an Account Debtor in respect of an Account of the Borrower.

**“Accounts”**: all “accounts” (as defined in the UCC) of a Person, including, without limitation, accounts, accounts receivable, book debts, monies due or to become due and obligations in any form (whether arising in connection with contracts, contract rights, instruments, general intangibles, or chattel paper), in each case whether arising out of goods sold or services rendered or from any other transaction and whether or not earned by performance, now or hereafter in existence, and all documents of title or other documents representing any of the foregoing, and all collateral security and guaranties of any kind, now or hereafter in existence, given by any Person with respect to any of the foregoing. Unless otherwise stated, the term “Account,” when used herein, shall mean an Account of the Borrower.

**“Acquired Indebtedness”**: Indebtedness of a Person whose assets or Capital Stock is acquired in a Permitted Acquisition; provided, however, that such Indebtedness (a) was in existence prior to the date of such Permitted Acquisition, and (b) was not incurred in connection with, or in contemplation of, such Permitted Acquisition.

**“Accrued DP Interest”**: the interest accruing and payable on the portion of the DP Amounts that have not been paid.

**“Adjusted Quick Ratio”**: the ratio of (i) (a) Qualified Cash of the Loan Parties plus (b) net billed accounts receivable of the Loan Parties, divided by (ii) Consolidated Current Liabilities.

**“Additional Term Loans”**: as defined in Section 2.26.

**“Administrative Agent”**: SVB, as the administrative agent under this Agreement and the other Loan Documents, together with any of its successors and permitted assigns in such capacity.

**“Affected Lender”**: as defined in Section 2.23.

**“Affiliate”**: as to any Person, any other Person that, directly or indirectly, is in control of, is controlled by, or is under common control with, such Person. For purposes of determining the Affiliates of any Loan Party, “control” of a Person means the power, directly or indirectly, either to (a) vote 10% or more of the securities having ordinary voting power for the election of directors (or persons performing similar functions) of such Person or (b) direct or cause the direction of the management and/or policies of such Person, whether by contract or otherwise. Notwithstanding anything herein to the contrary, in no event shall the Administrative Agent or any Lender be considered an “Affiliate” of any Loan Party.

**“Agent Parties”**: is defined in Section 10.2.

**“Aggregate Exposure”**: with respect to any Lender at any time, an amount equal to the sum of (a) the aggregate then unpaid principal amount of such Lender’s Term Loans, (b) the amount of such Lender’s Revolving Commitment then in effect or, if the Revolving Commitments have been terminated, the amount of such Lender’s Revolving Extensions of Credit then outstanding, and (c) without duplication of clause (b), the L/C Commitment of such Lender then in effect (as a sublimit of the Revolving Commitment).

**“Aggregate Exposure Percentage”**: with respect to any Lender at any time, the ratio (expressed as a percentage) of such Lender’s Aggregate Exposure at such time to the Aggregate Exposure of all Lenders at such time.

**“Agreement”**: as defined in the preamble hereto.

**“Applicable Margin”**: commencing on the date on which the Administrative Agent receives copies of the consolidated financial statements of Holdings and its Subsidiaries in respect of the fiscal quarter of Holdings ending June 30, 2018, together with a Compliance Certificate in respect thereof as contemplated by Section 6.2(a), the rate per annum set forth under the relevant column heading below:

<u>Level</u>	<u>Consolidated Leverage Ratio</u>	<u>Applicable Margin for Eurodollar Loans</u>	<u>Applicable Margin for ABR Loans</u>
I	Greater than or equal to 2.25:1.00	4.75%	3.00%
II	Less than 2.25:1.00 but greater than or equal to 1.25:1.00	4.25%	2.50%
III	Less than 1.25:1.00	4.00%	2.25%

Notwithstanding the foregoing, (a) until the delivery of the Compliance Certificate required to be delivered pursuant to Section 6.2(a) in connection with the delivery of the consolidated financial statements required to be delivered to the Administrative Agent pursuant to Sections 6.1(b) in respect of the fiscal quarter of Holdings ending June 30, 2018, the Applicable Margin shall be the rates corresponding to Level I in the foregoing table, (b) if the financial statements required by Section 6.1 and the related Compliance Certificate required by Section 6.2(a) are not delivered by the respective dates required thereunder after the end of any related fiscal quarter of Holdings, the Applicable Margin shall be the rates corresponding to Level I in the foregoing table until such financial statements and Compliance Certificate are delivered, and (c) no reduction to the Applicable Margin shall become effective at any time when an Event of Default pursuant to Sections 8.1(a), (c) (solely as a result of a breach of a financial covenant) or (f) has occurred and is continuing.

If, as a result of any restatement of or other adjustment to the financial statements of the Loan Parties or for any other reason, the Administrative Agent determines that (x) the Consolidated Leverage Ratio as calculated by the Borrower as of any applicable date was inaccurate and (y) a proper calculation of the Consolidated Leverage Ratio would have resulted in different pricing for any period, then (i) if the proper calculation of the Consolidated Leverage Ratio would have resulted in higher pricing for such period, the Borrower shall automatically and retroactively be obligated to pay to the Administrative Agent, for the benefit of the applicable Lenders, promptly on demand by the Administrative Agent, an amount equal to the excess of the amount of interest and fees that should have been paid for such period over the amount of interest and fees actually paid for such period; and (ii) if the proper calculation of the Consolidated Leverage Ratio would have resulted in lower pricing for such period, neither the Administrative Agent nor any Lender shall have any obligation to repay any interest or fees to the Borrower.

**“Application”**: an application, in such form as the Issuing Lender may specify from time to time, requesting the Issuing Lender to issue a Letter of Credit.

**“Approved Fund”**: as defined in Section 10.6(b).

**“Asset Sale”**: any Disposition of property or series of related Dispositions of property (excluding any such Disposition permitted by clause (b) through (e) of Section 7.5) that yields Net Cash Proceeds to any Group Member (valued at the initial principal amount thereof in the case of non-cash proceeds consisting of notes or other debt securities and valued at fair market value in the case of other non-cash proceeds) in excess of \$150,000.

**“Assignment and Assumption”**: an Assignment and Assumption, substantially in the form of Exhibit E.

**“Available Revolving Commitment”**: at any time, an amount equal to (a) the lesser of (i) the aggregate Revolving Commitments of all Lenders in effect at such time and (ii) the Borrowing Base in effect at such time, minus (b) the aggregate undrawn amount of all outstanding Letters of Credit at such time, minus (c) the aggregate amount of all L/C Disbursements that have not yet been reimbursed or converted into Revolving Loans at such time, minus (d) the aggregate principal balance of any Revolving Loans outstanding at such time.

**“Bail-In Action”**: the exercise of any Write-Down and Conversion Powers by the applicable EEA Resolution Authority in respect of any liability of an EEA Financial Institution.

**“Bail-In Legislation”**: with respect to any EEA Member Country implementing Article 55 of Directive 2014/59/EU of the European Parliament and of the Council of the European Union, the implementing law for such EEA Member Country from time to time which is described in the EU Bail-In Legislation Schedule.

**“Bankruptcy Code”**: Title 11 of the United States Code entitled “Bankruptcy.”

**“Bank Services”** are any products and/or credit services facilities provided to any Loan Party by Administrative Agent or Lenders or any of their Affiliates, including, without limitation, all letters of credit, guidance facilities, bank services (including, without limitation, merchant services, direct deposit of payroll, business credit cards, and check cashing services) and foreign exchange services as any such products or services may be identified in the various agreements related thereto (each, a **“Bank Services Agreement”**).

**“Benefitted Lender”**: as defined in Section 10.7(a).

**“Blocked Person”**: as defined in Section 7.18.

**“Board”**: the Board of Governors of the Federal Reserve System of the United States (or any successor).

**“Borrower”**: as defined in the preamble hereto.

**“Borrowing Base”**: as of any date of determination by the Administrative Agent as determined by reference to the most recent Borrowing Base Certificate delivered pursuant to Section 6.2(e) or Section 5.2(c) subject to adjustment in compliance with the definition of “Eligible Accounts” and implementation of Reserves in accordance with the definition of “Eligible Accounts”, from time to time, an amount equal to the sum at such time of (a) 80% of the book value of Eligible Accounts at such time, minus (b) the amount of any Reserves established by the Administrative Agent in accordance with the definition of “Eligible Accounts”.

**“Borrowing Base Certificate”**: a Transaction Report to be executed and delivered from time to time by the Borrower. **“Transaction Report”** shall mean a report in substantially the form of Exhibit I or such other form acceptable to the Administrative Agent in its sole discretion.

**“Borrowing Date”**: any Business Day specified by the Borrower in a Notice of Borrowing as a date on which the Borrower requests the relevant Lenders to make Loans hereunder.

**“Business”**: as defined in Section 4.17(b).

**“Business Day”**: a day other than a Saturday, Sunday or other day on which commercial banks in the State of California are authorized or required by law to close; provided that with respect to notices and determinations in connection with, and payments of principal and interest on, Eurodollar Loans, such day is also a day for trading by and between banks in Dollar deposits in the interbank eurodollar market.

**“Capital Lease Obligations”**: as to any Person, the obligations of such Person to pay rent or other amounts under any lease of (or other arrangement conveying the right to use) real or personal property, or a combination thereof, which obligations are required to be classified and accounted for as capital leases on a balance sheet of such Person under GAAP and, for the purposes of this Agreement, the amount of such obligations at any time shall be the capitalized amount thereof at such time determined in accordance with GAAP.

**“Capital Stock”**: any and all shares, interests, participations or other equivalents (however designated) of capital stock of a corporation, any and all equivalent ownership interests in a Person (other than a corporation) and any and all warrants, rights or options to purchase any of the foregoing.

**“Cash Collateralize”**: to pledge and deposit with or deliver to the Administrative Agent, for the benefit of the Administrative Agent or the Issuing Lender (as applicable) and the Lenders, as collateral for L/C Exposure or obligations of Lenders to fund participations in respect thereof, cash or deposit account balances pursuant to documentation in form and substance reasonably satisfactory to (i) the Administrative Agent and, (ii) as applicable, the Issuing Lender. **“Cash Collateral”** shall have a meaning correlative to the foregoing and shall include the proceeds of such cash collateral and other credit support.

**“Cash Equivalents”**: (a) marketable direct obligations issued by, or unconditionally guaranteed by, the United States Government or issued by any agency thereof and backed by the full faith and credit of the United States, in each case maturing within one year from the date of acquisition; (b) certificates of deposit, time deposits, eurodollar time deposits or overnight bank deposits having maturities of twelve months or less from the date of acquisition issued by any Lender or by any commercial bank organized under the laws of the United States or any state thereof having combined capital and surplus of not less than \$250,000,000; (c) commercial paper of an issuer rated at least A-1 by S&P or P-1 by Moody’s, or carrying an equivalent rating by another nationally recognized rating agency, if both of the two named rating agencies cease publishing ratings of commercial paper issuers generally, and maturing within nine months from the date of acquisition; (d) repurchase obligations of any Lender or of any commercial bank satisfying the requirements of clause (b) of this definition, having a term of not more than 30 days, with respect to securities issued or fully guaranteed or insured by the United States government; (e) securities with maturities of one year or less from the date of acquisition issued or fully guaranteed by any state, commonwealth or territory of the United States, by any political

subdivision or taxing authority of any such state, commonwealth or territory or by any foreign government, the securities of which state, commonwealth, territory, political subdivision, taxing authority or foreign government (as the case may be) are rated at least A by S&P or A by Moody's; (f) securities with maturities of six months or less from the date of acquisition backed by standby letters of credit issued by any Lender or any commercial bank satisfying the requirements of clause (b) of this definition; (g) money market mutual or similar funds that invest exclusively in assets satisfying the requirements of clauses (a) through (f) of this definition; (h) money market funds that (i) comply with the criteria set forth in SEC Rule 2a-7 under the Investment Company Act of 1940, as amended, (ii) are rated AAA by S&P and Aaa by Moody's and (iii) have portfolio assets of at least \$5,000,000,000; (i) Deposit Accounts maintained with (i) any commercial bank satisfying the requirements of clause (b) of this definition or (ii) any other commercial bank organized under the laws of the United States or any state thereof so long as the full amount maintained with any such other bank is insured by the Federal Deposit Insurance Corporation; or (j) instruments comparable in credit quality and tenor to those referred to in clauses (a) through (i) above and customarily used by corporations for cash management purposes in a jurisdiction outside the United States, utilized by Foreign Subsidiaries to the extent reasonably required in connection with any business conducted by such Subsidiary in such jurisdiction.

**"CaymanCo1"** or **"Holdings"**: as defined in the recitals

**"CaymanCo2"** or **"Cayman Parent Guarantor"**: Vector Cambium Holdings (Cayman), Ltd, an exempted company incorporated with limited liability under the laws of the Cayman Islands with registration number 260396 and having its registered office at Intertrust Corporate Services (Cayman) Limited, 190 Elgin Avenue, George Town, Grand Cayman KY1-9005, Cayman Islands.

**"Cayman Mortgage"**: the Cayman Islands law governed equitable mortgage over shares of CaymanCo2 made between Holdings and the Administrative Agent, dated the Original Closing Date, as amended, restated, supplemented or otherwise modified from time to time.

**"Certificated Securities"**: as defined in Section 4.19(a).

**"Change of Control"**: (a) Sponsor shall cease to hold, directly or indirectly, the single largest ownership percentage, but in no event less than 50.1%, of the voting securities of Holdings (determined on a fully diluted basis); (b) at any time, Holdings shall cease to own and control, of record and beneficially, directly or indirectly, 100% (other than directors' qualifying shares and other de minimis shares required by law) of each class of outstanding Capital Stock of the Parent Guarantors and the Borrower free and clear of all Liens (except Liens permitted by Section 7.3 and Liens created by the Security Documents); provided that any Parent Guarantor that is not in existence on the Closing Date shall pledge its assets in accordance with Section 6.12(c) hereof; (c) a majority of the board of directors of Holdings ceases to be designated by Sponsor; (d) at any time, any "person" or "group" (as such terms are used in Sections 13(d) and 14(d) of the Exchange Act), excluding Sponsor, shall become the "beneficial owner" (as defined in Rules 13(d)-3 and 13(d)-5 under the Exchange Act), directly or indirectly, of 35% or more of the ordinary voting power for the election of directors of Holdings (determined on a fully diluted basis); (e) during any period of 12 consecutive months, a majority of the members of the board

of directors or other equivalent governing body of Holdings cease to be composed of individuals (i) who were members of that board or equivalent governing body on the first day of such period, (ii) whose election or nomination to that board or equivalent governing body was approved by individuals referred to in clause (i) above constituting at the time of such election or nomination at least a majority of that board or equivalent governing body or (iii) whose election or nomination to that board or other equivalent governing body was approved by individuals referred to in clauses (i) and (ii) above constituting at the time of such election or nomination at least a majority of that board or equivalent governing body; and (g) at any time, the Borrower shall cease to own and control, of record and beneficially, directly, 100% (other than directors' qualifying shares and other de minimis shares required by law) of each class of outstanding Capital Stock of the Subsidiary Guarantors free and clear of all Liens (except Liens permitted by Section 7.3 and Liens created by the Security Documents).

**"Closing Date"**: the date on which all of the conditions precedent set forth in Section 5.1 are satisfied or waived by the Administrative Agent and, as applicable, the Lenders or the Required Lenders, which date is December 21, 2017.

**"Code"**: the Internal Revenue Code of 1986, and the regulations promulgated thereunder, as amended from time to time.

**"Collateral"**: all property of the Loan Parties, now owned or hereafter acquired, upon which a Lien is purported to be created by any Security Document.

**"Collateral Information Certificate"**: the Collateral Information Certificates to be executed and delivered by the Borrower and each other Loan Party pursuant to Section 5.1, substantially in the form of Exhibit J.

**"Commitment"**: as to any Lender, the sum of the Term Commitment of such Lender and the Revolving Commitment of such Lender.

**"Commodity Account"**: is any "commodity account" as defined in the UCC with such additions to such term as may hereafter be made.

**"Commodity Exchange Act"**: the Commodity Exchange Act (7 U.S.C. §1 et. seq.), as amended from time to time, and any successor statute.

**"Communications"**: is defined in Section 10.2.

**"Commonly Controlled Entity"**: an entity, whether or not incorporated, that is under common control with Holdings or the Borrower within the meaning of Section 4001 of ERISA or is part of a group that includes Holdings or the Borrower and that is treated as a single employer under Section 414 of the Code.

**"Compliance Certificate"**: a certificate duly executed by a Responsible Officer substantially in the form of Exhibit B.

**"Connection Income Taxes"**: Other Connection Taxes that are imposed on or measured by net income (however denominated) or that are franchise Taxes or branch profits Taxes.

**“Consolidated Capital Expenditures”**: for any period, with respect to any Person, the aggregate of all expenditures paid in cash by such Person and its Subsidiaries during such period for the acquisition or leasing (pursuant to a capital lease) of fixed or capital assets or additions to equipment (including replacements, capitalized repairs and improvements during such period) that, in conformity with GAAP, are included in “additions to property, plant or equipment” or comparable items reflected in the consolidated statement of cash flows of such Person and its Subsidiaries.

**“Consolidated Current Liabilities”**: on any relevant date of determination, all obligations and liabilities of the Group Members to the Administrative Agent, Lenders and other secured parties under the Loan Documents (including any outstanding balances under the Revolving Credit Facility and issued Letters of Credit), plus, without duplication, the aggregate amount of the Group Member’s Total Liabilities that mature within one (1) year following the relevant date of determination.

**“Consolidated EBITDA”**: for any period, Consolidated Net Income, plus (i) the sum, without duplication, of the amounts for such period, but solely to the extent decreasing Consolidated Net Income for such period, of:

- (a) Consolidated Interest Expense (and to the extent not reflected in Consolidated Interest Expense, bank and letter of credit fees and premiums in connection with financing activities), plus
- (b) provisions for taxes based on income, profits, or capital, including federal, foreign, state, local, franchise, excise, and similar taxes paid or accrued, plus
- (c) total depreciation expense, plus
- (d) total amortization expense, including deferred financing fees, plus
- (e) non-cash stock-based compensation charges, including deferred non-cash compensation expense, plus
- (f) transaction fees, costs and expenses related to the Transactions that are included in the Funds Flow Agreement, plus transaction fees, costs and expenses related to the Transactions disclosed and paid within two months of the Closing Date in an amount not to exceed \$150,000, plus
- (g) transaction fees, costs and expenses related to any actual or proposed acquisition, divestiture, investment, or incurrence, issuance, amendment or other modification of debt and/or equity (whether or not successful) (i) not to exceed \$2,000,000 (\$500,000 to the extent unsuccessful (provided that with respect to an unsuccessful Qualified Initial Public Offering such amounts shall not exceed \$2,000,000)) in the aggregate in any fiscal year, and including without limitation in each case legal fees and deal fees, to the extent such expenses, fees, costs and charges are actually paid in cash, (ii) in any amount to the extent such expenses, fees, costs and expenses are paid with proceeds of new equity investments in exchange for Capital Stock of Holdings (excluding Disqualified Stock) contemporaneously made by a Permitted Investor, (iii) payable to the Administrative Agent or any Lender and (iv) such other costs and charges paid in cash to the extent approved by Administrative Agent in writing as an ‘add-back’ to Consolidated EBITDA, plus



- (h) (i) restructuring charges, including severance payments and settlement payments, (ii) cost savings that are factually supportable and expected to result from actions taken or expected to be taken (y) within the twelve month period immediately following any acquisition, business combination or divestiture or (z) within the twelve-month period from any date of determination in connection with internal restructuring initiatives, in each case with respect to subsections (i) and (ii) hereof not to exceed \$1,000,000 in the aggregate for any fiscal year, and (iii) such other restructuring costs and charges paid in cash or cost savings to the extent approved by Administrative Agent in its sole discretion in writing as an 'add-back' to Consolidated EBITDA, plus
- (i) (x) the Management Fees and (y) reasonable fees and expenses permitted by Section 7.11 hereof to be paid to the Sponsor pursuant to the Management Services Agreement, in each case paid or accrued pursuant to the Management Services Agreement and otherwise permitted hereunder and (z) the 2017 Management Fee, paid or accrued to the extent permitted hereunder, plus
- (j) to the extent reimbursed by insurance (with evidence of such reimbursement reasonably acceptable to Administrative Agent), (A) any cash losses or charges or (B) third party contractual indemnities covering such expenses, plus
- (k) to the extent the Borrower or Holdings reasonably expects to be reimbursed by insurance within twelve months after payment (with evidence of such reimbursement reasonably acceptable to Administrative Agent), litigation (including settlement) costs, expenses and cash payment of judgments, plus
- (l) other non-cash items reducing Consolidated Net Income (excluding any such non cash item to the extent that it represents an accrual or reserve for potential cash items in any future period or amortization of a prepaid cash item that was paid in a prior period) approved by the Administrative Agent in writing as an 'add back' to Consolidated EBITDA, plus
- (m) (A) purchase accounting adjustments, including, without limitation, a dollar for dollar adjustment for that portion of revenue that would have been recorded in the relevant period had the balance of deferred revenue (unearned income) recorded on the closing balance sheet and before application of purchase accounting not been adjusted downward to fair value to be recorded on the opening balance sheet in accordance with GAAP purchase accounting rules; and (B) non-cash adjustments in accordance with GAAP purchase accounting rules under ASC 805, Business Combinations and EITF Issue No. 01-3, in the event that such an adjustment is required by Holdings' independent auditors, in each case, as determined in accordance with GAAP, plus
- (n) exchange, translation, or performance losses relating to any foreign currency hedging transactions, plus

minus (ii) the sum, without duplication, of the amounts for such period, but solely to the extent increasing Consolidated Net Income for such period, of:

- (a) other non cash items (excluding any such non cash item to the extent it represents the reversal of an accrual or reserve for potential cash item in any prior period), plus
- (b) interest income, plus
- (c) software development costs to the extent capitalized for such period in accordance with GAAP, plus
- (d) exchange, translation or performance gains relating to any foreign currency hedging transactions or currency fluctuations;

provided, that Consolidated EBITDA for: (i) the fiscal quarter ending March 31, 2017, shall be \$7,365,731; (ii) the fiscal quarter ending June 30, 2017, shall be \$5,618,711 and (iii) the fiscal quarter ending September 30, 2017, shall be \$8,600,376, in each case subject to normal year-end audit adjustments.

**“Consolidated Fixed Charge Coverage Ratio”**: for any period, the ratio of (a) Consolidated EBITDA for such period minus the portion of taxes based on income actually paid in cash (net of any cash refunds received) during those fiscal quarters in which the determination date occurs, minus Consolidated Capital Expenditures funded with Internally Generated Cash, minus Restricted Payments paid in cash by Holdings, and minus Management Fees and reimbursement of management expenses actually paid in cash to Sponsor as permitted under Section 7.11 during those fiscal quarters in which the determination date occurs, to (b) Consolidated Fixed Charges for such period.

**“Consolidated Fixed Charges”**: for any four fiscal quarter period ending on any determination date (the **“determination date”**), the sum (without duplication) of (a) Consolidated Interest Expense for such period, plus (b) scheduled payments to be made during the period on account of principal of Indebtedness of the Borrower, Holdings and their consolidated Subsidiaries (including, without limitation, scheduled principal payments in respect of the Term Loans and Capital Lease Obligations); provided that for the purposes of calculating the Consolidated Fixed Charge Coverage Ratio for the four consecutive fiscal quarters ending December 31, 2017, March 31, 2018 and June 30, 2018, (i) the amounts in clause (a) above for such period shall be annualized and calculated as follows: from the Closing Date through such fiscal quarter end, such amount during such period shall be divided by the number of days in such period and then multiplied by 365 days, and (ii) the amounts in clause (b) above for such period shall be annualized and calculated as follows: for the fiscal quarter ending (A) December 31, 2017, the actual amount for such quarter times four (4), (B) March 31, 2018, the actual amount for such fiscal quarter plus the actual amount for the fiscal quarter ended December 31, 2017 times two (2), and (C) June 30, 2018, the actual amount for such fiscal quarter plus the actual amount for the fiscal quarter ended March 31, 2018 plus the actual amount for the fiscal quarter ended December 31, 2017 times four-thirds (4/3); provided further that any earn out payments in connection with Permitted Acquisitions shall not constitute Consolidated Fixed Charges; provided further that for purposes of clause (b) the Borrower shall be deemed to have made a principal payment of \$1,125,000.00 with respect to the Term Loans for the quarter ending December 31, 2017.

**“Consolidated Interest Expense”**: for any period, total cash interest expense (including that attributable to Capital Lease Obligations) of the Borrower, Holdings and their respective Subsidiaries for such period with respect to all outstanding Indebtedness of the Borrower, Holdings and their respective Subsidiaries (including all commissions, discounts and other fees and charges owed with respect to letters of credit and bankers’ acceptance financing and net costs under Swap Agreements in respect of interest rates to the extent such net costs are allocable to such period in accordance with GAAP), but excluding any amortization of fees, charges or other amounts or other deferred financing costs, including all such fees paid on the Closing Date).

**“Consolidated Leverage Ratio”**: as at the last day of any period, the ratio of (a) Consolidated Total Debt on such day to (b) Consolidated EBITDA for such period.

**“Consolidated Net Income”**: for any period, the consolidated net income (or loss) of the Borrower, Holdings and their consolidated Subsidiaries, determined on a consolidated basis in accordance with GAAP; provided that there shall be excluded (a) the income (or deficit) of any Person accrued prior to the date it becomes a Subsidiary or is merged into or consolidated with the Borrower, Holdings or their respective Subsidiaries, (b) the income (or deficit) of any such Person (other than a Subsidiary of the Borrower or Holdings) in which the Borrower, Holdings or their respective Subsidiaries has an ownership interest, except to the extent that any such income is actually received by the Borrower, Holdings or such Subsidiary in the form of dividends or similar distributions, and (c) the undistributed earnings of any Subsidiary of the Borrower or Holdings to the extent that the declaration or payment of dividends or similar distributions by such Subsidiary is not at the time permitted by the terms of any Contractual Obligation (other than under any Loan Document) or Requirement of Law applicable to such Subsidiary.

**“Consolidated Net Working Capital”**: as of any date of determination, the excess (or deficit) (A) the total assets of the Borrower and its Subsidiaries on a consolidated basis which may properly be classified as current assets in conformity with GAAP, excluding (i) cash and Cash Equivalents (iii) any asset associated with interest rate Swap Agreements and (iii) deferred or estimated prepaid taxes, minus (B) all amounts that would, in conformity with GAAP, be set forth opposite the caption “total current liabilities” (or any like caption) on a consolidated balance sheet of the Borrower, Holdings and their respective Subsidiaries at such date less, as of such date, the current portion of Funded Debt of the Borrower, Holdings and their respective Subsidiaries, excluding (i) any liability associated with interest rate Swap Agreements (ii) accrued or prepaid deferred or estimated tax liabilities and (iii) the effects of any purchase accounting adjustments.

**“Consolidated Net Working Capital Adjustment”**: for any period on a consolidated basis, the amount (which may be a negative number) by which Consolidated Net Working Capital as of the end of such period exceeds (or is less than) Consolidated Net Working Capital as of the beginning of such period.

**“Consolidated Total Debt”**: at any date, the aggregate principal amount of all Indebtedness of a type described in clause (a), (b), (c), (d), (e) or (f) (but only to the extent of drawn and unreimbursed obligations) of the definition of “Indebtedness” of the Borrower, Holdings and their consolidated Subsidiaries at such date, determined on a consolidated balance sheet basis in accordance with GAAP.

**“Contractual Obligation”**: as to any Person, any provision of any security issued by such Person or of any written agreement, instrument or other undertaking to which such Person is a party or by which it or any of its property is bound.

**“Control Agreement”**: is any control agreement entered into among the depository institution at which a Loan Party maintains a Deposit Account or the securities intermediary or commodity intermediary at which a Loan Party maintains a Securities Account or a Commodity Account, the applicable Loan Party and the Administrative Agent pursuant to which the Administrative Agent obtains control (within the meaning of the UCC) over such Deposit Account, Securities Account, or Commodity Account in accordance with Section 5.8 of the Guarantee and Collateral Agreement.

**“Control Investment Affiliate”**: as to any Person, any other Person that (a) directly or indirectly, is in control of, is controlled by, or is under common control with, such Person and (b) is organized by such Person primarily for the purpose of making equity or debt investments in one or more companies. For purposes of this definition, “control” of a Person means the power, directly or indirectly, to direct or cause the direction of the management and policies of such Person whether by contract or otherwise.

**“Country Limitation Schedule”** is that certain schedule of the Export-Import Bank listed on <http://www.exim.gov/tools-for-exporters/country-limitation-schedule>, as amended from time to time, or, if unavailable, such other guidance issued by Export-Import Bank with respect to countries prohibited from doing business with the United States of America.

**“Cure Amount”**: as defined in Section 7.1(c).

**“Cure Period”**: as defined in Section 7.1(c).

**“Cure Right”**: as defined in Section 7.1(c).

**“CTA 2009”** means the United Kingdom’s Corporation Tax Act 2009.

**“Debtor Relief Laws”**: the Bankruptcy Code, and all other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement, receivership, insolvency, reorganization, or similar debtor relief laws of the United States or other applicable jurisdictions from time to time in effect.

**“Default”**: any of the events specified in Section 8.1, whether or not any requirement for the giving of notice, the lapse of time, or both, has been satisfied.

**“Default Rate”**: as defined in Section 2.15(c).

**“Defaulting Lender”**: subject to Section 2.24(b), any Lender that (a) has failed to (i) fund all or any portion of its Loans within two (2) Business Days of the date such Loans were required to be funded hereunder unless such Lender notifies the Administrative Agent and the Borrower in writing that such failure is the result of such Lender’s reasonable determination that one or more conditions precedent to funding (each of which conditions precedent, together with any applicable default, shall be specifically identified in such writing) has not been satisfied, or (ii) pay to the Administrative Agent, the Issuing Lender, or any other Lender any other amount required to be paid by it hereunder (including in respect of its participation in Letters of Credit) within two (2) Business Days of the date when due, (b) has notified the Borrower, the Administrative Agent or the Issuing Lender in writing that it does not intend to comply with its funding obligations hereunder, or has made a public statement to that effect (unless such writing or public statement relates to such Lender’s obligation to fund a Loan hereunder and states that such position is based on such Lender’s reasonable determination that a condition precedent to funding (which condition precedent, together with any applicable default, shall be specifically identified in such writing or public statement) cannot be satisfied), (c) has failed, within three (3) Business Days after written request by the Administrative Agent or the Borrower, to confirm in writing to the Administrative Agent and the Borrower that it will comply with its prospective funding obligations hereunder (*provided* that such Lender shall cease to be a Defaulting Lender pursuant to this clause (c) upon receipt of such written confirmation by the Administrative Agent and the Borrower), or (d) has, or has a direct or indirect parent company that has, (i) become the subject of a proceeding under any Debtor Relief Law, (ii) had appointed for it a receiver, receiver and manager, interim receiver, custodian, conservator, trustee, administrator, assignee for the benefit of creditors or similar Person charged with reorganization or liquidation of its business or assets, including the Federal Deposit Insurance Corporation or any other state, provincial or federal regulatory authority acting in such a capacity; *provided* that a Lender shall not be a Defaulting Lender solely by virtue of the ownership or acquisition of any equity interest in that Lender or any direct or indirect parent company thereof by a Governmental Authority so long as such ownership interest does not result in or provide such Lender with immunity from the jurisdiction of courts within the United States or from the enforcement of judgments or writs of attachment on its assets or permit such Lender (or such Governmental Authority) to reject, repudiate, disavow or disaffirm any contracts or agreements made with such Lender or (iii) become the subject of a Bail-In Action. Any determination by the Administrative Agent that a Lender is a Defaulting Lender under any one or more of clauses (a) through (d) above shall be conclusive and binding absent manifest error, and such Lender shall be deemed to be a Defaulting Lender (subject to Section 2.24(b)) upon delivery of written notice of such determination to the Borrower, the Issuing Lender and each Lender.

**“Deposit Account”**: as defined in the UCC and, in any event, including, without limitation, any demand, time, savings, passbook or like account maintained with a depository institution.

**“Designated Jurisdiction”**: any country or territory to the extent that such country or territory itself is the subject of any Sanction.

**“Disposition”**: with respect to any property (including, without limitation, Capital Stock), any sale, lease, Sale Leaseback Transaction, assignment, conveyance, transfer, encumbrance or other disposition thereof and, with respect to Borrower, any issuance of Capital Stock of the Borrower, Holdings or any of their respective Subsidiaries. The terms **“Dispose”** and **“Disposed of”** shall have correlative meanings.

**“Disqualified Stock”**: any Capital Stock that, by its terms (or by the terms of any security into which it is convertible, or for which it is exchangeable, in each case at the option of the holder thereof), or upon the happening of any event, matures or is mandatorily redeemable, pursuant to a sinking fund obligation or otherwise, or redeemable at the option of the holder thereof, in whole or in part, on or prior to the date that is ninety-one (91) days after the date on which the Loans mature; *provided, however*, that any Capital Stock that would not constitute Disqualified Stock but for provisions thereof giving holders thereof (or the holders of any security into or for which such Capital Stock is convertible, exchangeable or exercisable) the right to require the issuer thereof to redeem such Capital Stock upon the occurrence of a change in control, initial public offering or sale of all or substantially all assets (as such term is defined by the terms of such Capital Stock (or by the terms of any security into which such Capital Stock is convertible or for which it is exchangeable)) shall not constitute Disqualified Stock if such Capital Stock provides that the issuer thereof will not redeem any such Capital Stock pursuant to such provisions prior to the date that is 180 days after repayment in full of the Obligations (other than contingent indemnification and reimbursement obligations) and the termination of the Commitments (or any refinancing thereof). The amount of Disqualified Stock deemed to be outstanding at any time for purposes of this Agreement will be the maximum amount that Holdings and its Subsidiaries may become obligated to pay upon maturity of, or pursuant to any mandatory redemption provisions of, such Disqualified Stock or portion thereof, plus accrued dividends.

**“Dollars”** and **“\$”**: dollars in lawful currency of the United States.

**“Domestic Subsidiary”**: any Subsidiary of the Borrower or any Parent Guarantor (other than the Borrower) organized under the laws of any jurisdiction within the United States.

**“DP Amounts”**: any and all deferred payments, holdbacks or similar deferred consideration in connection with a Permitted Acquisition, to the extent the total amount of such deferred payments, holdbacks and other similar deferred consideration for a particular Permitted Acquisition, together with any Earn-Out Obligations in connection with such Permitted Acquisition, does not exceed 25% of the aggregate consideration paid or to be paid in connection with such Permitted Acquisition (the **“DP Cap”**); *provided, however*, the DP Cap may be greater than 25% (but in the case of clause (i) herein, not greater than 40%) to the extent that (i) the amount in excess of the DP Cap (excluding any amounts in excess of 40% of the aggregate consideration paid or to be paid in connection with such Permitted Acquisition) shall be included as a Consolidated Fixed Charge for the purposes of calculating the Consolidated Fixed Charge Coverage Ratio or (ii) such amount above the DP Cap is funded with the identifiable proceeds of any substantially concurrent new equity issuance or capital contribution. Such DP Amounts and Earn-Out Obligations shall be calculated in accordance with GAAP as the estimated amount thereof on the closing date for the applicable Permitted Acquisition, which determination shall be made on the date the definitive documentation for the applicable Permitted Acquisition is entered into. For the avoidance of doubt, Permitted Seller Debt that does not require any cash interest or principal payments while any Obligations remain outstanding shall not be included in the calculation of DP Amounts.

**“Earn-Out Obligations”**: all obligations of any Loan Party consisting of earn-outs related to the enhanced performance of an entity acquired in connection with a Permitted Acquisition.

**“EEA Financial Institution”**: (a) any credit institution or investment firm established in any EEA Member Country which is subject to the supervision of an EEA Resolution Authority, (b) any entity established in an EEA Member Country which is a parent of an institution described in clause (a) of this definition, or (c) any financial institution established in an EEA Member Country which is a Subsidiary of an institution described in clauses (a) or (b) of this definition and is subject to consolidated supervision with its parent.

**“EEA Member Country”**: any of the member states of the European Union, Iceland, Liechtenstein, and Norway.

**“EEA Resolution Authority”**: any public administrative authority or any person entrusted with public administrative authority of any EEA Member Country (including any delegee) having responsibility for the resolution of any EEA Financial Institution.

**“Eligible Accounts”**: all of the Accounts owned by the Borrower and the Subsidiary Guarantors which arise in the ordinary course of business and are reflected in the most recent Borrowing Base Certificate delivered by the Borrower to the Administrative Agent, except any Account to which any of the exclusionary criteria set forth below applies. The Administrative Agent shall have the right, at any time and from time to time after the Closing Date upon at least three (3) Business Days’ prior written notice, to establish, modify or eliminate Reserves against Eligible Accounts, in its Permitted Discretion. Eligible Accounts shall not include:

- (a) Accounts for which the Account Debtor is a Group Member’s affiliate, officer, employee, or agent (other than other portfolio companies of the Sponsor to the extent such Accounts arise on an arms length basis);
- (b) Accounts that the Account Debtor has not paid within ninety (90) days of invoice date;
- (c) Credit balances over ninety (90) days from invoice date;
- (d) Accounts owing from an Account Debtor, if fifty percent (50%) or more of the Accounts owing from such Account Debtor have not been paid within ninety (90) days of invoice date;
- (e) Accounts owing from an Account Debtor which does not have its principal place of business in the United States, except for Eligible Foreign Accounts;
- (f) Accounts billed from and/or payable outside of the United States unless Administrative Agent has a first priority, perfected security interest or other enforceable Lien in such Accounts under all applicable laws, including foreign laws (sometimes called foreign invoiced accounts);

- (g) Accounts owing from an Account Debtor to the extent that any Group Member is indebted or obligated in any manner to the Account Debtor (as creditor, lessor, supplier or otherwise - sometimes called “contra” accounts, accounts payable, customer deposits or credit accounts), with the exception of customary credits, adjustments and/or discounts given to an Account Debtor by Borrower in the ordinary course of its business, but only to the extent of the amount of such indebtedness or obligation;
- (h) Accounts owing from an Account Debtor which is a United States government entity or any department, agency, or instrumentality thereof unless the relevant Borrower or Subsidiary Guarantor has assigned its payment rights to Administrative Agent and the assignment has been acknowledged under the Federal Assignment of Claims Act of 1940, as amended;
- (i) Accounts for demonstration or promotional equipment, or in which goods are consigned, or sold on a “sale guaranteed”, “sale or return”, “sale on approval”, or other terms if Account Debtor’s payment may be conditional;
- (j) Accounts owing from an Account Debtor where goods have not yet been provided to the Account Debtor (sometimes called memo billings or pre-billings);
- (k) Accounts subject to contractual arrangements between a Borrower or Subsidiary Guarantor and an Account Debtor where payments shall be scheduled or due according to completion or fulfillment requirements where the Account Debtor has a right of offset for damages suffered as a result of such Loan Party’s failure to perform in accordance with the contract (sometimes called contracts accounts receivable, progress billings, milestone billings, or fulfillment contracts);
- (l) Accounts owing from an Account Debtor the amount of which may be subject to withholding based on the Account Debtor’s satisfaction of the Borrower or Subsidiary Guarantor’s complete performance (but only to the extent of the amount withheld; sometimes called retainage billings);
- (m) Accounts subject to trust provisions, subrogation rights of a bonding company, or a statutory trust;
- (n) Accounts owing from an Account Debtor that has been invoiced for goods that have not been shipped to the Account Debtor unless Administrative Agent, the relevant Borrower or Subsidiary Guarantor, and the Account Debtor have entered into an agreement acceptable to Administrative Agent in its Permitted Discretion wherein the Account Debtor acknowledges that (i) it has title to and has ownership of the goods wherever located, (ii) a bona fide sale of the goods has occurred, and (iii) it owes payment for such goods in accordance with invoices from such Borrower or Subsidiary Guarantor (sometimes called “bill and hold” accounts);
- (o) Accounts for which the Account Debtor has not been invoiced;
- (p) Accounts that represent non-trade receivables or that are derived by means other than in the ordinary course of the Borrower or Subsidiary Guarantor’s business;



- (q) [reserved];
- (r) Accounts arising from chargebacks, debit memos or other payment deductions taken by an Account Debtor;
- (s) Accounts arising from product returns and/or exchanges (sometimes called “warranty” or “RMA” accounts);
- (t) Accounts in which the Account Debtor disputes liability or makes any claim (but only up to the disputed or claimed amount), or if the Account Debtor is subject to an Insolvency Proceeding, or becomes insolvent, or goes out of business;
- (u) Accounts owing from an Account Debtor, whose total obligations to the Borrower or Subsidiary Guarantor exceed twenty-five percent (25%) of all Accounts, for the amounts that exceed that percentage, unless Administrative Agent approves in writing; and
- (v) Accounts for which the Administrative Agent in its Permitted Discretion determines collection to be doubtful.

Any Account which is at any time an Eligible Account, but which subsequently fails to meet any of the foregoing eligibility requirements, shall forthwith cease to be an Eligible Account until such time as such Account shall again meet all of the foregoing requirements.

**“Eligible Assignee”**: any commercial bank, insurance company, investment or mutual fund or other entity that is an “accredited investor” (as defined in Regulation D under the Securities Act) and which extends credit or buys loans as one of its businesses; provided that neither the Borrower nor any Affiliate of the Borrower shall be an Eligible Assignee.

**“Eligible Foreign Accounts”**: all Accounts which otherwise constitute “Eligible Accounts” but for the fact they are owing from an Account Debtor which does not have its principal place of business in the United States provided that (a) such Account Debtors are located in countries listed on the Export-Import Bank Country Limitation Schedule, and (b) the Borrower has obtained foreign receivable insurance with respect to such Account, but only to the extent required pursuant to Section 6.6(c) hereof; provided that in no event shall the book value of Eligible Foreign Accounts constitute more than 50% of the book value of Eligible Accounts.

**“Environmental Laws”**: any and all applicable foreign, Federal, state, local or municipal laws, rules, orders, regulations, statutes, ordinances, codes, decrees, requirements of any Governmental Authority or other Requirements of Law (including common law) regulating, relating to or imposing liability or standards of conduct concerning protection of human health or the environment, as now or may at any time hereafter be in effect.

**“Equity Interests”**: with respect to any Person, all of the shares of capital stock of (or other ownership or profit interests in) such Person, all of the warrants, options or other rights for the purchase or acquisition from such Person of shares of capital stock of (or other ownership or profit interests in) such Person, all of the securities convertible into or exchangeable for shares of capital stock of (or other ownership or profit interests in) such Person or warrants, rights or

options for the purchase or acquisition from such Person of such shares (or such other interests), and all of the other ownership or profit interests in such Person (including partnership, exempted limited partnership, member or trust interests therein), whether voting or nonvoting, and whether or not such shares, warrants, options, rights or other interests are outstanding on any date of determination.

**“ERISA”**: the Employee Retirement Income Security Act of 1974 and the regulations promulgated thereunder, as amended from time to time.

**“EU Bail-In Legislation Schedule”**: the EU Bail-In Legislation Schedule published by the Loan Market Association (or any successor Person), as in effect from time to time.

**“Eurocurrency Reserve Requirements”**: for any day as applied to a Eurodollar Loan, the aggregate (without duplication) of the maximum rates (expressed as a decimal fraction) of reserve requirements in effect on such day (including basic, supplemental, marginal and emergency reserves) under any regulations of the Board or other Governmental Authority having jurisdiction with respect thereto dealing with reserve requirements prescribed for eurocurrency funding (currently referred to as “Eurocurrency Liabilities” in Regulation D of the Board) maintained by a member bank of the Federal Reserve System.

**“Eurodollar Base Rate”**: with respect to each Interest Period pertaining to a Eurodollar Loan, the higher of (a) 1.25% per annum or (b) the rate per annum determined by the Administrative Agent by reference to the ICE Benchmark Administration London Interbank Offered Rate (or any successor thereto if the ICE Benchmark Administration is no longer making a LIBOR rate available (“**LIBOR**”) for deposits (for delivery on the first day of such Interest Period) with a term equivalent to such Interest Period in Dollars, determined as of approximately 11:00 A.M. (London, England time) two (2) Business Days prior to the beginning of such Interest Period (as set forth by Bloomberg Information Service or any successor thereto or any other commercially available service selected by the Administrative Agent which provides quotations of LIBOR) In the event that the rate per annum referenced in clause (b) of the preceding sentence is not available, the rate per annum in clause (b) of the preceding sentence shall be determined by reference to the rate per annum equal to the offered quotation rate to first class banks in the London interbank market by the Administrative Agent for deposits (for delivery on the first day of the relevant Interest Period) in Dollars of amounts in same day funds comparable to the principal amount of the applicable Loan of the Administrative Agent, in its capacity as a Lender, for which the Eurodollar Base Rate is then being determined with maturities comparable to such period as of approximately 11:00 A.M. (London, England time) two (2) Business Days prior to the beginning of such Interest Period.

**“Eurodollar Loans”**: Loans the rate of interest applicable to which is based upon the Eurodollar Rate.

**“Eurodollar Rate”**: with respect to each Interest Period pertaining to a Eurodollar Loan, a rate per annum equal to the greater of (a) 1.25% and (b) the rate determined for such Interest Period in accordance with the following formula:

$$\frac{\text{Eurodollar Base Rate}}{1.00 - \text{Eurocurrency Reserve Requirements}}$$

The Eurodollar Rate shall be adjusted automatically as of the effective date of any change in the Eurocurrency Reserve Requirements.

**“Eurodollar Tranche”**: the collective reference to Eurodollar Loans under a particular Facility (other than the L/C Facility), the then current Interest Periods with respect to all of which begin on the same date and end on the same later date (whether or not such Loans shall originally have been made on the same day).

**“Event of Default”**: any of the events specified in Section 8.1; provided that any requirement for the giving of notice, the lapse of time, or both, has been satisfied.

**“Excess Cash Flow”**: for any fiscal year (or other period) of Holdings, Consolidated EBITDA for such fiscal year less, without duplication:

- (a) current taxes based on income of the Borrower, Holdings and their respective Subsidiaries paid and payable in cash with respect to such period,
- (b) the aggregate amount actually paid by the Borrower, Holdings and their respective Subsidiaries in cash during such fiscal year (or other period) on account of Consolidated Capital Expenditures from Internally Generated Cash,
- (c) the aggregate amount of all cash payments made in respect of all Permitted Acquisitions consummated by and other Investments permitted under Section 7.8 made by Holdings and its Subsidiaries during such period, in each case with Internally Generated Cash,
- (d) the aggregate amount of all regularly scheduled principal payments of, and interest on, Funded Debt (including the Term Loans) of the Borrower, Holdings and their respective Subsidiaries made during such fiscal year (or other period) to the extent made with Internally Generated Cash,
- (e) the distributed earnings the Borrower or Holdings to the extent that the declaration or payment of dividends or similar distributions by Borrower or Holdings is permitted hereunder,
- (f) the aggregate amount of any premium, make-whole or penalty payments actually paid with Internally Generated Cash during such period that are required to be made in connection with any prepayment of Indebtedness,
- (g) other items paid in cash during such period, in each case, to the extent included as an “add-back” in the calculation of Consolidated EBITDA,
- (h) [reserved]
- (i) Consolidated Interest Expense, and plus/minus

(j) the Consolidated Net Working Capital Adjustment.

**“Excess Cash Flow Application Date”**: as defined in Section 2.12(d).

**“Exchange Act”**: the Securities Exchange Act of 1934, as amended from time to time and any successor statute.

**“Excluded Swap Obligation”**: with respect to any Group Member, any obligation to pay or perform under any Specified Swap Agreement, if and to the extent that all or a portion of the guarantee of such Group Member of, or the grant by such Group Member of a security interest to secure, such obligations under a Specified Swap Agreement (or any guarantee thereof) is or becomes illegal or unlawful under the Commodity Exchange Act or any rule, regulation or order of the Commodity Futures Trading Commission (or the application or official interpretation of any thereof) by virtue of such Group Member’s failure for any reason to constitute an “eligible contract participant” as defined in the Commodity Exchange Act and the regulations thereunder at the time the guarantee of such Group Member or the grant of such security interest would otherwise have become effective with respect to such obligations under a Specified Swap Agreement or such guarantee but for such Group Member’s failure to constitute an “eligible contract participant” at such time. If any obligation to pay or perform under any Specified Swap Agreement arises under a master agreement governing more than one swap, such exclusion shall apply only to the portion of such obligations under a Specified Swap Agreement that is attributable to swaps for which such guarantee or security interest is or becomes illegal or unlawful under the Commodity Exchange Act or any rule, regulation or order of the Commodity Futures Trading Commission (or the application or official interpretation of any thereof).

**“Excluded Taxes”**: any of the following Taxes imposed on or with respect to a Recipient or required to be withheld or deducted from a payment to a Recipient, (a) Taxes imposed on or measured by net income (however denominated), franchise Taxes, and branch profits Taxes, in each case, (i) imposed as a result of such Recipient being organized under the laws of, doing business in, or having its principal office or, in the case of any Lender, its applicable lending office located in, the jurisdiction imposing such Tax (or any political subdivision thereof) or (ii) that are Other Connection Taxes, (b) U.S. federal withholding Taxes imposed on amounts payable to or for the account of such Recipient with respect to an applicable interest in a Loan or Commitment pursuant to a law in effect on the date on which (i) such Recipient acquires such interest in the Loan or Commitment (other than pursuant to an assignment request by the Borrower under Section 2.22) or (ii) such Recipient changes its lending office, except in each case to the extent that, pursuant to Section 2.19, amounts with respect to such Taxes were payable either to such Recipient’s assignor immediately before such Recipient became a party hereto or to such Recipient immediately before it changed its lending office, (c) Taxes attributable to such Recipient’s failure to comply with Section 2.19(f), (d) any U.S. federal withholding Taxes imposed under FATCA, (e) any U.S. federal withholding Taxes imposed under FATCA, (f) [reserved], and (e) with respect to a payment by the Borrower hereunder, any deduction or withholding for or on account of Tax imposed by the United Kingdom on payments to it under this Agreement (a **“UK Tax Deduction”**), if, on the date on which the payment falls due (i) the payment could have been made to the relevant Lender without a UK Tax Deduction if the Lender had been a UK Qualifying Lender, but on that date that Lender is not or has ceased to be a UK Qualifying Lender other than as a result of any change after the date it became a Lender

under this Agreement in (or in the interpretation, administration, or application of) any law or UK Treaty or any published practice or published concession of any relevant Governmental Authority, (ii) the relevant Recipient is a UK Non-Bank Lender and an officer of HM Revenue & Customs has given (and not revoked) a direction under section 931 of ITA 2007 which relates to the payment and that Lender has received from the Borrower making the payment a certified copy of that direction, and the payment could have been made to the relevant Lender without a UK Tax Deduction if that direction had not been made or (iii) the relevant Lender is a UK Non-Bank Lender and has not given a UK Tax Confirmation to the Borrower and the payment could have been made to the relevant Lender without a UK Tax Deduction if that Lender had given a UK Tax Confirmation to the Borrower, on the basis that the UK Tax Confirmation would have enabled the Borrower to have formed a reasonable belief that the payment was an “excepted payment” for the purpose of section 930 of ITA 2007. For purposes of this definition, the term “Recipient” includes a Transferee. For purposes of this definition, the term “Recipient” includes a Transferee.

“**Existing Credit Agreement**”: as defined in the recitals to this Agreement.

“**Existing Letters of Credit**”: the letters of credit described on Schedule 1.1B.

“**Existing Revolving Loans**”: as defined in the recitals to this Agreement.

“**Existing Term Loans**”: as defined in the recitals to this Agreement.

“**Facility**”: each of (a) the Term Facility, (b) the L/C Facility (which is a subfacility of the Revolving Facility), and (c) the Revolving Facility.

“**FASB ASC**”: the Accounting Standards certification of the Financial Accounting Standards Board.

“**FATCA**”: Sections 1471 through 1474 of the Code, as of the date of this Agreement (or any amended or successor version to the extent such version is substantively comparable thereto), any current or future regulations or official interpretations thereof, and any intergovernmental agreements or any “FFI agreements” entered into pursuant to Section 1471(b)(1) of the Code and any law, regulation, rule, guidance notes, promulgation or official agreement adopted to give effect to any of such intergovernmental agreements.

“**Federal Funds Effective Rate**”: for any day, the weighted average of the rates on overnight federal funds transactions with members of the Federal Reserve System arranged by federal funds brokers, as published on the next succeeding Business Day by the Federal Reserve Bank of New York, or, if such rate is not so published for any day that is a Business Day, the average of the quotations for the day of such transactions received by the Administrative Agent from three federal funds brokers of recognized standing selected by it.

“**Fee Letter**”: the letter agreement dated December 12, 2017 between Holdings, Borrower, and Administrative Agent.

“**Financial Covenants**”: as defined in Section 7.1(c).

**“Flow of Funds Agreement”**: the letter agreement between the Borrower and the Administrative Agent, or spreadsheet or other similar statement prepared and certified by the Borrower, regarding the disbursement of the proceeds of the Loans on the Closing Date, the funding and the payment of the fees and expenses of the Administrative Agent and the Lenders (including their respective counsel), and such other matters as may be agreed to by the Borrower, the Administrative Agent and the Lenders.

**“Foreign Lender”**: (a) if the Borrower is a U.S. Person, a Recipient that is not a U.S. Person, and (b) if the Borrower is not a U.S. Person, a Recipient that is resident or organized under the laws of a jurisdiction other than that in which the Borrower is resident for tax purposes.

**“Foreign Law Security Documents”**: the UK Security Documents, the Cayman Mortgage, and all other security documents delivered to the Administrative Agent granting a Lien on any property of any Person to secure the Obligations of any Loan Party under any Loan Document governed by the law of a jurisdiction other than the United States, and other filings, documents and agreements made or delivered pursuant thereto.

**“Foreign Subsidiary”**: any Subsidiary of the Borrower or Holdings that is not a Domestic Subsidiary.

**“Fronting Exposure”**: at any time there is a Defaulting Lender, such Defaulting Lender’s L/C Percentage of the outstanding L/C Exposure other than L/C Exposure as to which such Defaulting Lender’s participation obligation has been reallocated to other Lenders or Cash Collateralized in accordance with the terms hereof.

**“Funded Debt”**: as to any Person, all Indebtedness of such Person that matures more than one year from the date of its creation or matures within one year from such date but is renewable or extendible, at the option of such Person, to a date more than one year from such date or arises under a revolving credit or similar agreement that obligates the lender or lenders to extend credit during a period of more than one year from such date, including all current maturities and current sinking fund payments in respect of such Indebtedness whether or not required to be paid within one year from the date of its creation and, in the case of the Borrower, Indebtedness in respect of the Loans.

**“Funding Office”**: the Revolving Loan Funding Office or the Term Loan Funding Office, as the context requires.

**“GAAP”**: in respect of any Loan Party incorporated or organized pursuant to the laws of any State of the United States, generally accepted accounting principles in the United States as in effect from time to time, except that for purposes of Section 7.1, GAAP shall be determined on the basis of such principles in effect on the date hereof and consistently applied. Notwithstanding the foregoing, (i) for purposes of determining compliance with any covenant (including the computation of any financial covenant) contained herein, Indebtedness of Holdings, the Borrower and their Subsidiaries shall be deemed to be carried at 100% of the outstanding principal amount thereof, and the effects of FASB ASC 825-10 on financial liabilities (or any Financial Accounting Standard having a similar effect) shall be disregarded, (ii) no operating lease shall constitute a Capitalized Lease Obligation or Indebtedness by virtue

of a change in GAAP occurring after the Closing Date and (iii) to the extent expressly provided herein, certain calculations shall be made on a Pro Forma Basis. Except as provided in the immediately preceding sentence, in the event that any “**Accounting Change**” (as defined below) shall occur and such change results in a change in the method of calculation of financial covenants, then the Borrower and the Administrative Agent agree that if either of them shall so request, they shall enter into negotiations to amend such provisions of this Agreement so as to reflect equitably such Accounting Changes with the desired result that the criteria for evaluating the Borrower’s financial condition shall be the same after such Accounting Changes as if such Accounting Changes had not been made. Until such time as such an amendment shall have been executed and delivered by the Borrower, the Administrative Agent and the Required Lenders, all financial covenants shall continue to be calculated or construed as if such Accounting Changes had not occurred. “**Accounting Changes**” refers to changes in accounting principles required by the promulgation of any rule, regulation, pronouncement or opinion by the Financial Accounting Standards Board of the American Institute of Certified Public Accountants or, if applicable, the SEC.

“**Governmental Approval**”: any consent, authorization, approval, order, license, franchise, permit, certificate, accreditation, registration, filing or notice, of, issued by, from or to, or other act by or in respect of, any Governmental Authority.

“**Governmental Authority**”: any nation or government, any state or other political subdivision thereof, any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative functions of or pertaining to government, any securities exchange and any self-regulatory organization (including the National Association of Insurance Commissioners), and any group or body charged with setting accounting or regulatory capital rules or standards.

“**Group Members**”: the collective reference to the Borrower, Holdings and their respective Subsidiaries.

“**Guarantee and Collateral Agreement**”: the Guarantee and Collateral Agreement executed and delivered by the Borrower, Holdings and each Guarantor dated as of the Original Closing Date, as amended, restated, supplemented or otherwise modified from time to time.

“**Guarantee Obligation**”: as to any Person (the “**guaranteeing person**”), any obligation, including a reimbursement, counterindemnity or similar obligation, of the guaranteeing person that guarantees or in effect guarantees, or which is given to induce the creation of a separate obligation by another Person (including any bank under any letter of credit) that guarantees or in effect guarantees, any Indebtedness, leases, dividends or other financial obligations (the “**primary obligations**”) of any other third Person (the “**primary obligor**”) in any manner, whether directly or indirectly, including any obligation of the guaranteeing person, whether or not contingent, (i) to purchase any such primary obligation or any property constituting direct or indirect security therefor, (ii) to advance or supply funds (1) for the purchase or payment of any such primary obligation or (2) to maintain working capital or equity capital of the primary obligor or otherwise to maintain the net worth or solvency of the primary obligor, (iii) to purchase property, securities or services primarily for the purpose of assuring the owner of any such primary obligation of the ability of the primary obligor to make payment of such primary

obligation or (iv) otherwise to assure or hold harmless the owner of any such primary obligation against loss in respect thereof; provided that the term Guarantee Obligation shall not include endorsements of instruments for deposit or collection in the ordinary course of business. The amount of any Guarantee Obligation of any guaranteeing person shall be deemed to be the lower of (a) an amount equal to the stated or determinable amount of the primary obligation in respect of which such Guarantee Obligation is made and (b) the maximum amount for which such guaranteeing person may be liable pursuant to the terms of the instrument embodying such Guarantee Obligation, unless such primary obligation and the maximum amount for which such guaranteeing person may be liable are not stated or determinable, in which case the amount of such Guarantee Obligation shall be such guaranteeing person's maximum reasonably anticipated liability in respect thereof as determined by the Borrower in good faith, in accordance with GAAP.

**"Guarantors"**: a collective reference to each Parent Guarantor and each Subsidiary Guarantor together with each Subsidiary of Holdings that is required to become a Guarantor pursuant to Section 6.12.

**"Holdings"** or **"CaymanCo1"**: as defined in the preamble hereto.

**"Immaterial Subsidiary"**: any direct or indirect Subsidiary of Holdings or the Borrower (a) whose total assets as of any date of determination (as determined in accordance with GAAP) do not exceed \$3,000,000 or (b) whose total revenues for the four fiscal quarters most recently ended (as determined in accordance with GAAP) represent less than five percent (5%) of the total revenues (as determined in accordance with GAAP) of Holdings and its Subsidiaries, provided that no Subsidiary shall be deemed an Immaterial Subsidiary to the extent (i) the total assets of such Subsidiary, when combined with the total assets of each other Immaterial Subsidiary (as determined in accordance with GAAP) exceed \$3,000,000 or (ii) the total revenues of such Subsidiary, when combined with the total revenues of each other Immaterial Subsidiary (as determined in accordance with GAAP) represent more than five percent (5%) of the total revenues (as determined in accordance with GAAP) of Holdings and its Subsidiaries on a consolidated basis.

**"Increase"**: as defined in Section 2.26

**"Indebtedness"**: of any Person at any date, without duplication, (a) all indebtedness of such Person for borrowed money, (b) all obligations of such Person for the deferred purchase price of property or services (other than (x) trade payables incurred in the ordinary course of such Person's business and outstanding no more than 90 days past the invoice date, other than to the extent subject to a bona fide contest and (y) the 2017 Management Fee), (c) all obligations of such Person evidenced by notes, bonds, debentures or other similar instruments, (d) all indebtedness created or arising under any conditional sale or other title retention agreement with respect to property acquired by such Person (even though the rights and remedies of the seller or lender under such agreement in the event of default are limited to repossession or sale of such property), (e) all Capital Lease Obligations and all Synthetic Lease Obligations of such Person, (f) all obligations of such Person, contingent or otherwise, as an account party or applicant under or in respect of acceptances, letters of credit, surety bonds or similar arrangements, (g) all Guarantee Obligations of such Person in respect of obligations of the kind referred to in clauses



(a) through (f) above, (h) all obligations of the kind referred to in clauses (a) through (g) above secured by (or for which the holder of such obligation has an existing right, contingent or otherwise, to be secured by) any Lien on property (including accounts and contract rights) owned by such Person, whether or not such Person has assumed or become liable for the payment of such obligation, and (i) the net obligations of such Person in respect of Swap Agreements. The Indebtedness of any Person shall include the Indebtedness of any other entity (including any partnership in which such Person is a general partner) to the extent such Person is liable therefor as a result of such Person's ownership interest in or other relationship with such entity, except to the extent the terms of such Indebtedness expressly provide that such Person is not liable therefor. Notwithstanding the foregoing, the obligations in respect of DP Amounts, Earn-Out Obligations, purchase price adjustments and indemnity obligations, shall not constitute Indebtedness until such time as the amount of the asserted payment is reasonably determined and not contested in good faith). Notwithstanding the foregoing, "Indebtedness" shall not include for purposes of Section 7.1, Earn-Out Obligations that cannot yet be determined and Permitted Seller Debt for which, by its own terms, no payments are permitted to be paid on account thereof.

**"Indemnitee"**: is defined in Section 10.5.

**"Indemnified Taxes"**: (a) Taxes, other than Excluded Taxes, imposed on or with respect to any payment made by or on account of any obligation of any Loan Party under any Loan Document and (b) to the extent not otherwise described in (a), Other Taxes and all charges where the relevant Governmental Authority incorrectly or illegally imposes or asserts taxes, levies, imposts, duties, deductions, withholdings (including backup withholding), assessments, fees or other charges which were it not for such illegality or erroneous imposition would be an Indemnified Tax.

**"Insolvency"**: with respect to any Multiemployer Plan, the condition that such Plan is insolvent within the meaning of Section 4245 of ERISA.

**"Insolvency Proceeding"**: as defined in Section 8.1(f), and, for the avoidance of doubt but without limitation, includes a UK Insolvency Proceeding.

**"Insolvent"**: pertaining to a condition of Insolvency.

**"Intellectual Property"**: the collective reference to all rights, priorities and privileges relating to intellectual property, whether arising under United States, European or other multinational or foreign laws or otherwise, including copyrights, copyright licenses, patents, patent licenses, trademarks, trademark licenses, technology, know-how and processes, and all rights to sue at law or in equity for any infringement or other impairment thereof, including the right to receive all proceeds and damages therefrom.

**"Intellectual Property Security Agreement"**: an intellectual property security agreement, substantially in the form of Exhibit A to the Guarantee and Collateral Agreement, together with each other intellectual property security agreement and supplement thereto delivered pursuant to Section 6.12, in each case as amended, restated, supplemented or otherwise modified from time to time.

**“Intercompany Subordination Agreement”**: the Amended and Restated Intercompany Subordination Agreement to be executed and delivered by the Borrower, Holdings, each other Group Member and the Administrative Agent, on the Closing Date, as amended, restated, supplemented or otherwise modified from time to time.

**“Interest Payment Date”**: (a) as to any ABR Loan, the first day of each month to occur while such Loan is outstanding and the final maturity date of such Loan, (b) as to any Eurodollar Loan having an Interest Period of three months or less, the last Business Day of such Interest Period, (c) as to any Eurodollar Loan having an Interest Period longer than three months, each day that is three months, or a whole multiple thereof, after the first day of such Interest Period and the last day of such Interest Period, and (d) as to any Loan (other than any Revolving Loan that is an ABR Loan), the date of any repayment or prepayment made in respect thereof.

**“Interest Period”**: as to any Eurodollar Loan, (a) initially, the period commencing on the borrowing or conversion date, as the case may be, with respect to such Eurodollar Loan and ending one, two, three or six months thereafter, as selected by the Borrower in its Notice of Borrowing or Notice of Conversion/Continuation, as the case may be, given with respect thereto; and (b) thereafter, each period commencing on the last day of the next preceding Interest Period applicable to such Eurodollar Loan and ending one, two, three or six months thereafter, as selected by the Borrower by irrevocable notice to the Administrative Agent in a Notice of Conversion/Continuation not later than 10:00 A.M., Pacific time, on the date that is three (3) Business Days prior to the last day of the then current Interest Period with respect thereto; provided that all of the foregoing provisions relating to Interest Periods are subject to the following:

(a) if any Interest Period would otherwise end on a day that is not a Business Day, such Interest Period shall be extended to the next succeeding Business Day unless the result of such extension would be to carry such Interest Period into another calendar month in which event such Interest Period shall end on the immediately preceding Business Day;

(b) the Borrower may not select an Interest Period under a particular Facility that would extend beyond the Revolving Termination Date (in the case of Revolving Facility) or beyond the date final payment is due on the Term Loans (in the case of Term Loans);

(c) any Interest Period that begins on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period) shall end on the last Business Day of a calendar month; and

(d) the Borrower shall select Interest Periods so as not to require a payment or prepayment of any Eurodollar Loan during an Interest Period for such Loan.

**“Interest Rate Agreement”**: any interest rate swap agreement, interest rate cap agreement, interest rate collar agreement, interest rate hedging agreement or other similar agreement or arrangement, each of which is (a) for the purpose of hedging the interest rate exposure associated with the Borrower’s and its Subsidiaries’ operations, (b) approved by Administrative Agent, and (c) not for speculative purposes.

**“Internally Generated Cash”**: cash generated from Holdings and its Subsidiaries’ operations and not representing (i) a reinvestment by Holdings or any Subsidiaries of the Net Cash Proceeds of any Asset Sale or Recovery Event, or (ii) the proceeds of any issuance of any Equity Interests or any Indebtedness of Holdings or any Subsidiary (other than Revolving Loans and other Indebtedness incurred under revolving credit facilities).

**“Inventory”**: all “inventory,” as such term is defined in the UCC, now owned or hereafter acquired by any Loan Party, wherever located, and in any event including inventory, merchandise, goods and other personal property that are held by or on behalf of any Loan Party for sale or lease or are furnished or are to be furnished under a contract of service, or that constitute raw materials, work in process, finished goods, returned goods, or materials or supplies of any kind used or consumed or to be used or consumed in such Loan Party’s business or in the processing, production, packaging, promotion, delivery or shipping of the same, including all supplies and embedded software.

**“Investments”**: as defined in [Section 7.8](#).

**“IRS”**: the Internal Revenue Service, or any successor thereto.

**“ISP”**: with respect to any Letter of Credit, the “International Standby Practices 1998” published by the Institute of International Banking Law & Practice (or such later version thereof as may be in effect at the time of issuance).

**“Issuing Lender”**: as the context may require, (a) SVB or any affiliate thereof, in its capacity as issuer of any Letter of Credit, and (b) any other Lender that may become an Issuing Lender pursuant to [Section 3.11](#) or [3.12](#), with respect to Letters of Credit issued by such Lender. The Issuing Lender may, in its discretion, arrange for one or more Letters of Credit to be issued by Affiliates of the Issuing Lender or other financial institutions reasonably acceptable to the Borrower, in which case the term “Issuing Lender” shall include any such Affiliate or other financial institution with respect to Letters of Credit issued by such Affiliate or other financial institution.

**“Issuing Lender Fees”**: as defined in [Section 3.3\(a\)](#).

**“ITA 2007”** means the United Kingdom’s Income Tax Act 2007.

**“L/C Advance”**: each L/C Lender’s funding of its participation in any L/C Disbursement in accordance with its L/C Percentage of the L/C Commitment.

**“LCA Election”**: as defined in [Section 1.3](#).

**“LCA Test Date”**: as defined in [Section 1.3](#).

**“L/C Commitment”**: as to any L/C Lender, the obligation of such L/C Lender, if any, to purchase an undivided interest in the Issuing Lenders’ obligations and rights under and in respect of each Letter of Credit (including to make payments with respect to draws made under any Letter of Credit pursuant to [Section 3.5\(b\)](#)) in an aggregate principal amount not to exceed the amount set forth under the heading “L/C Commitment” opposite such L/C Lender’s name on [Schedule 1.1A](#) or in the Assignment and Assumption pursuant to which such L/C Lender became a party hereto, as the same may be changed from time to time pursuant to the terms hereof. The L/C Commitment is a sublimit of the Revolving Commitment and the aggregate L/C Commitment shall not exceed \$5,000,000 at any time.

**“L/C Disbursements”**: a payment or disbursement made by the Issuing Lender pursuant to a Letter of Credit.

**“L/C Exposure”**: at any time, the sum of (a) the aggregate undrawn amount of all outstanding Letters of Credit at such time, and (b) the aggregate amount of all L/C Disbursements that have not yet been reimbursed or converted into Revolving Loans at such time. The L/C Exposure of any L/C Lender at any time shall equal its L/C Percentage of the aggregate L/C Exposure at such time.

**“L/C Facility”**: the L/C Commitments and the extensions of credit made thereunder.

**“L/C Fee Payment Date”**: as defined in [Section 3.3\(a\)](#).

**“L/C Fee Rate”**: the rate equal to the Applicable Margin for Revolving Loans that are Eurodollar Loans.

**“L/C Lender”**: a Lender with an L/C Commitment.

**“L/C Percentage”**: as to any L/C Lender at any time, the percentage of the Total L/C Commitments represented by such L/C Lender’s L/C Commitment, as such percentage may be adjusted as provided in [Section 2.26](#).

**“L/C-Related Documents”**: collectively, each Letter of Credit, all applications for any Letter of Credit (and applications for the amendment of any Letter of Credit) submitted by the Borrower to the Issuing Lender and any other document, agreement and instrument relating to any Letter of Credit, including any of the Issuing Lender’s standard form documents for letter of credit issuances.

**“Lenders”**: as defined in the preamble hereto; provided that unless the context otherwise requires, each reference herein to the Lenders shall be deemed to include any Issuing Lender.

**“Letter of Credit”**: as defined in [Section 3.1\(a\)](#); provided that such term shall include each Existing Letter of Credit.

**“Letter of Credit Availability Period”**: the period from and including the Closing Date to but excluding the Letter of Credit Maturity Date.

**“Letter of Credit Fronting Fee”**: as defined in [Section 3.3\(a\)](#).

**“Letter of Credit Maturity Date”**: the Revolving Termination Date.

**“Lien”**: any mortgage, deed of trust, pledge, hypothecation, collateral assignment, deposit arrangement, encumbrance, lien (statutory or other), charge or other security interest or any preference, priority or other security agreement or preferential arrangement of any kind or nature whatsoever (including any conditional sale or other title retention agreement and any capital lease having substantially the same economic effect as any of the foregoing).

**“Limited Condition Acquisition”**: any Permitted Acquisition, the consummation of which is not conditioned on the availability of, or on obtaining, third party financing and which is being financed with an Additional Term Loan; provided that such Permitted Acquisition is consummated within 120 days from the date the definitive agreements for such Permitted Acquisition are entered into and no subordinated Indebtedness is incurred during such 120-day period.

**“Liquidity”**: at any date of determination, the sum of (a) the aggregate amount of Qualified Cash, and (b) the Available Revolving Commitment at such time.

**“Loan”**: any Revolving Loan or Term Loan made or maintained by any Lender pursuant to this Agreement.

**“Loan Documents”**: this Agreement, the Security Documents, the Notes, the Fee Letter, the Security Trust Deed, the Intercompany Subordination Agreement, any subordinations agreement, the Flow of Funds Agreement, the Solvency Certificate, the Collateral Information Certificate, each L/C-Related Document, the Bank Services Agreements, any agreements relating to certain documents to be delivered after the Closing Date and any agreement creating or perfecting rights in Cash Collateral pursuant to the provisions of Section 3.10, and any amendment, waiver, supplement or other modification to any of the foregoing. For the avoidance of doubt, Specified Swap Agreements do not constitute Loan Documents.

**“Loan Parties”**: the collective reference to the Borrower, Holdings, the Parent Guarantors and the Subsidiary Guarantors.

**“Majority Revolving Lenders”**: at any time, (a) if only one Revolving Lender holds the Total Revolving Commitment at such time, such Revolving Lender, both before and after the termination of such Revolving Commitment; and (b) if more than one Revolving Lender holds the Total Revolving Commitment, at least two Revolving Lenders who hold more than 50% of the Total Revolving Commitments (including, without duplication, the L/C Commitments) or, at any time after the termination of the Revolving Commitments, at least two Revolving Lenders who hold more than 50% of the Total Revolving Extensions of Credit then outstanding (including, without duplication, any L/C Disbursements that have not yet been reimbursed or converted into Revolving Loans at such time)); provided that the Revolving Commitments of, and the portion of the Revolving Loans and participations in L/C Exposure held or deemed held by, any Defaulting Lender shall be excluded for purposes of making a determination of Majority Revolving Lenders; provided further that a Lender and its Affiliates shall be deemed one Lender.

**“Majority Term Lenders”**: at any time, (a) if only one Term Lender holds the Term Loan, such Term Lender; and (b) if more than one Term Lender holds the Term Loan, at least two Term Lenders who hold more than 50% of the principal sum of all Term Loans outstanding; provided that the portion of the Term Loans held or deemed held by, any Defaulting Lender shall be excluded for purposes of making a determination of Majority Term Lenders; provided further that a Lender and its Affiliates shall be deemed one Lender.

**“Management Fees”**: means (i) any management, advisory or consulting fees payable by the Borrower or any other Group Member to the Sponsor pursuant to the Management Services Agreement and (ii) the 2017 Management Fee.

**“Management Services Agreement”**: that certain Management Service Agreement by and among Vector Capital Partners IV, LLC and USCo (on its own behalf and its Subsidiaries) dated as of the Original Closing Date, as amended, restated, supplemented or otherwise modified from time to time to the extent permitted hereunder.

**“Mandatory Prepayment Date”**: as defined in Section 2.12(f).

**“Material Adverse Effect”**: (a) a material adverse change in, or a material adverse effect on, the operations, results of operations, business, assets, or financial condition of Holdings and its Subsidiaries, taken as a whole; (b) a material impairment of Holdings and its Subsidiaries ability to perform their obligations under the Loan Documents to which they are parties or of Administrative Agent’s and the Lender’s ability to enforce the Obligations or realize upon the Collateral; or (c) a material adverse effect upon the legality, validity, binding effect or enforceability against the Borrower or any Guarantor of any material Loan Document to which it is a party.

**“Materials of Environmental Concern”**: any substance, material or waste that is defined, regulated, governed or otherwise characterized under any Environmental Law as hazardous or toxic or as a pollutant or contaminant (or by words of similar meaning and regulatory effect), any petroleum or petroleum products, asbestos, polychlorinated biphenyls, urea-formaldehyde insulation, molds or fungus, radioactivity, and radiofrequency radiation at levels known to be hazardous to human health and safety.

**“Minority Lender”**: as defined in Section 10.1(c).

**“Moody’s”**: Moody’s Investors Service, Inc.

**“Mortgaged Properties”**: the real properties as to which, pursuant to Section 6.12(b) or otherwise, the Administrative Agent or the Security Trustee (as applicable), for the benefit of the Secured Parties, shall be granted a Lien pursuant to the Mortgages and the UK Debenture.

**“Mortgages”**: each of the mortgages, deeds of trust, deeds to secure debt or such equivalent documents hereafter entered into and executed and delivered by one or more of the Loan Parties to the Administrative Agent, in each case, as such documents may be amended, amended and restated, supplemented or otherwise modified, renewed or replaced from time to time and in form and substance reasonably acceptable to the Administrative Agent.

**“Multiemployer Plan”**: a Plan that is a multiemployer plan as defined in Section 4001(a)(3) of ERISA and subject to ERISA.

**“Net Cash Proceeds”**: (a) in connection with any Asset Sale or any Recovery Event, the proceeds thereof in the form of cash and cash equivalents (including any such proceeds received by way of deferred payment of principal pursuant to a note or installment receivable or purchase price adjustment receivable or otherwise, but only as and when received), net of attorneys’ fees,

accountants' fees, investment banking fees, amounts required to be applied to the repayment of Indebtedness (other than the Revolving Loan or Term Loan) secured by a Lien on any asset that is the subject of such Asset Sale or Recovery Event (other than any Lien pursuant to a Security Document) and other customary fees and expenses actually incurred in connection therewith and net of income, franchise, sales, and other applicable taxes reasonably estimated to be payable by the Borrower, Holdings or their respective Subsidiaries in connection with such Asset Sale or Recovery Event, and (b) in connection with any issuance or sale of Capital Stock or any incurrence of Indebtedness, the cash proceeds received from such issuance or incurrence, net of attorneys' fees, investment banking fees, accountants' fees, underwriting discounts and commissions and other customary fees and expenses actually incurred in connection therewith and net of income, franchise, sales, and other applicable taxes reasonably estimated to be payable in connection with such issuance, sale or incurrence.

**"Non-Consenting Lender"**: any Lender that does not approve any consent, waiver or amendment that (a) requires the approval of all affected Lenders in accordance with the terms of Section 10.1 and (b) has been approved by the Required Lenders.

**"Non-Defaulting Lender"**: at any time, each Lender that is not a Defaulting Lender at such time.

**"Note"**: a Term Loan Note or a Revolving Loan Note.

**"Notice of Borrowing"**: a notice substantially in the form of Exhibit K.

**"Notice of Conversion/Continuation"**: a notice substantially in the form of Exhibit L.

**"Obligations"**: (a) the unpaid principal of and interest on (including interest accruing after the maturity of the Loans and interest accruing after the filing of any petition in bankruptcy, or the commencement of any insolvency, reorganization or like proceeding, relating to the Borrower or any Guarantor, whether or not a claim for post-filing or post-petition interest is allowed or allowable in such proceeding) the Loans and all other obligations and liabilities of the Borrower and any other Loan Party to any of the Secured Parties, whether direct or indirect, joint or several, absolute or contingent, due or to become due, or now existing or hereafter incurred and whether owed as principal or as surety, which may arise under, out of, or in connection with, this Agreement, any other Loan Document, the Bank Services Agreements, the Letters of Credit, any Specified Swap Agreement or any other document made, delivered or given in connection herewith or therewith, whether on account of principal, interest, reimbursement obligations, fees, indemnities, costs, expenses (including all reasonable and documented fees, charges and disbursements of counsel to the Administrative Agent or to any Lender that are required to be paid by the Borrower or any Guarantor pursuant hereto) or otherwise, and (b) any obligations of any Loan Party to any Lender or an Affiliate of a Lender arising in connection with Bank Services provided by such Lender or such Affiliate to such Loan Party and (c) any obligations of any Loan Party to any Qualified Counterparty arising in connection with Specified Swap Agreements provided by such Qualified Counterparty to such Loan Party.

**"OFAC"**: The Office of Foreign Assets Control of the U.S. Department of the Treasury and any successor thereto.

**“Original Closing Date”**: as defined in the recitals to this Agreement.

**“Other Connection Taxes”**: with respect to any Recipient, Taxes imposed as a result of a present or former connection between such Recipient and the jurisdiction imposing such Tax (other than connections arising from such Recipient having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, engaged in any other transaction pursuant to or enforced any Loan Document).

**“Other Taxes”**: all present or future stamp, court or documentary, intangible, recording, filing or similar Taxes (but excluding Excluded Taxes) that arise from any payment made under, from the execution, delivery, performance, enforcement or registration of, from the receipt or perfection of a security interest under, or otherwise with respect to, any Loan Document, except any such Taxes that are Other Connection Taxes imposed with respect to an assignment (other than an assignment made pursuant to Section 2.23).

**“Overadvance”**: as defined in Section 2.8.

**“Parent Guarantors”**: a collective reference to, any of Holdings, Cayman Parent Guarantor and USCo and any other Subsidiaries of Holdings, Cayman Parent Guarantor or USCo that, directly or indirectly, own any outstanding Capital Stock of the Borrower or any other Parent Guarantor.

**“Participant”**: as defined in Section 10.6(c)(i).

**“Participant Register”**: as defined in Section 10.6(c)(iii).

**“Patriot Act”**: the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism (USA PATRIOT ACT) Act of 2001, Title III of Pub. L. 107-56, signed into law October 26, 2001, as amended.

**“PBGC”**: the Pension Benefit Guaranty Corporation established pursuant to Subtitle A of Title IV of ERISA (or any successor).

**“Pension Funding Rules”**: the rules of the Code and ERISA regarding minimum required contributions (including any installment payment thereof) to Pension Plans and set forth in, with respect to plan years ending prior to the effective date of the Pension Protection Act of 2006, Section 412 of the Code and Section 302 of ERISA each as in effect prior to the Pension Protection Act of 2006 and, thereafter, Sections 412 and 430 of the Code and Sections 302 and 303 of ERISA.

**“Pension Plan”**: any Plan that is an employee pension benefit plan within the meaning of Section 3(2) of ERISA, the benefits of which are guaranteed on termination in full or in part by the PBGC pursuant to Title IV of ERISA, but that is not a Multiemployer Plan.

**“Permitted Acquisition”**: the purchase or other acquisition by the Borrower or any of its Subsidiaries of all of the equity interests in, or all or substantially all of the property and assets of (or all or substantially all of the property and assets representing a business unit or business line of or customer base of), any Person (referenced to herein as the **“Acquired Entity”**) that, upon



the consummation thereof, will be wholly owned (other than director's qualifying shares) directly by the Borrower or one or more of its Wholly Owned Subsidiaries (including, without limitation, as a result of a merger or consolidation or the purchase or other acquisition of all or a substantial portion of the property and assets of a Person); provided that, with respect to each such purchase or other acquisition:

- (a) any newly created or acquired Subsidiary shall (i) be incorporated or established in a jurisdiction in which the Administrative Agent can be granted and perfect a security interest in assets of the same type and nature as the Administrative Agent's security interest in the Collateral and (ii) become a Loan Party and comply with the requirements of Section 6.12;
- (b) the total consideration (exclusive of any Capital Stock of Holdings issued to the seller and working capital adjustments, but including Earn-Out Obligations and DP Amounts and Permitted Seller Debt (which Earn-Out Obligations and DP Amounts shall be calculated in accordance with GAAP as the estimated amount thereof on the closing date for the applicable Permitted Acquisition, which determination shall be made on the date the definitive documentation for the applicable Permitted Acquisition is entered into) paid in connection with such purchase or acquisition and all other such purchases or acquisitions shall not exceed \$40,000,000 in the aggregate plus any Net Cash Proceeds received from the contribution of equity to Holdings or the issuance of Capital Stock by Holdings substantially contemporaneously with such Permitted Acquisition and any cash or Cash Equivalents purchased or acquired in such Permitted Acquisition(s);
- (c) the lines of business of the Person to be (or the property and assets of which are to be) so purchased or otherwise acquired shall be substantially the same lines of business as, or reasonably related or incidental to, one or more of the principal businesses of the Borrower and its Subsidiaries in the ordinary course or lines of business not prohibited by Section 7.17 of this Agreement;
- (d) immediately before and immediately after giving effect to any such purchase or other acquisition on a Pro Forma Basis, (A) no Default or Event of Default shall have occurred and be continuing (other than in connection with a Limited Condition Acquisition, in which case there shall be no Default or Event of Default as of the LCA Test Date), and (B) the Loan Parties shall be in compliance with the financial covenants and agreements set forth in this Agreement (it being understood that such financial covenants shall be determined on a Pro Forma Basis and, if such Permitted Acquisition is a Limited Condition Acquisition, in accordance with Section 1.3) and (C) the representations and warranties contained in the other Loan Documents shall be true and correct in all material respects (subject to customary "SunGard" limitations in connection with Limited Condition Acquisitions) before and immediately after giving effect to such Permitted Acquisition, except (A) to the extent that such representations and warranties specifically refer to an earlier date, in which case they shall be true and correct in all material respects as of such earlier date, and (B) in the case of any representation and warranty qualified by materiality, they shall be true and correct in all respects;

- (e) not less than ten Business Days' prior to the consummation of any such purchase or other acquisition (or such shorter period as may be agreed to by the Administrative Agent in its sole discretion), Borrower shall deliver to the Administrative Agent its due diligence package for the proposed acquisition, including, to the extent reasonably requested, forecasted balance sheets, profit and loss statements and cash flow statements of the Person or business to be acquired, all prepared on a basis consistent with such Person's (or business) historical financial statements, together with appropriate supporting details and a statement of underlying assumptions for the one (1) year period following the date of the proposed acquisition, on a quarter by quarter basis);
- (f) assets or target whose stock is being acquired shall have pro forma Consolidated EBITDA during the twelve month consecutive period most recently ended prior to the proposed acquisition of greater than \$0;
- (g) before and immediately after giving effect to such Permitted Acquisition the Loan Parties' Liquidity shall be not less than \$10,000,000;
- (h) no Permitted Acquisition may be an Unfriendly Acquisition; and
- (i) all material consents necessary for such Permitted Acquisition (including such consents as the Administrative Agent deems reasonably necessary) have been acquired and such Permitted Acquisition is consummated in accordance with the applicable acquisition documents unless otherwise agreed by Borrower and applicable law.

**"Permitted Discretion"**: a determination made by the Administrative Agent in good faith and in the exercise of reasonable (from the perspective of a secured asset-based lender) business judgment.

**"Permitted Investors"**: the collective reference to the Sponsor and its Control Investment Affiliates and any other Person from time to time consented to by the Administrative Agent in its sole discretion.

**"Permitted Seller Debt"**: unsecured subordinated Indebtedness (other than Earn-Out Obligations and DP Amounts) owing to sellers of assets or Capital Stock by a Group Member that is incurred by a Group Member in connection with the consummation of one or more Permitted Acquisitions so long as, with respect to any such Indebtedness that requires cash interest or principal payments while any Obligations remain outstanding, the aggregate principal amount for all such unsecured Indebtedness does not exceed \$5,000,000 at any one time outstanding and such Indebtedness is otherwise on terms and conditions reasonably acceptable to the Administrative Agent.

**"Person"**: an individual, partnership, exempted limited partnership, company, corporation, limited liability company, business trust, joint stock company, trust, unincorporated association, joint venture, Governmental Authority or other entity of whatever nature.

**“Plan”**: at a particular time, any employee benefit plan that is covered by ERISA and which is maintained or contributed to by a Loan Party or a Subsidiary thereof (or, as to which a Loan Party or Subsidiary thereof could reasonably be expected to have liability on account of a Commonly Controlled Entity or under Section 4069 of ERISA if such plan were terminated at such time).

**“Preferred Stock”**: the preferred Capital Stock of either Holdings or Borrower or any of their Subsidiaries.

**“Prime Rate”**: the rate of interest per annum announced from time to time by SVB as its prime rate in effect at its principal office in the State of California (the Prime Rate not being intended to be the lowest rate of interest charged by SVB in connection with extensions of credit to debtors) (or if SVB is no longer the Administrative Agent, such rate of interest per annum announced from time to time by the applicable successor Administrative Agent as its prime rate).

**“Pro Forma Basis”**: as defined in [Section 1.2\(e\)](#).

**“Pro Forma Financial Statements”**: balance sheets, income statements and cash flow statements prepared by Holdings, and its consolidated Subsidiaries that give effect (as if such events had occurred on such date) to (i) the consummation of the Transaction, (ii) the Loans to be made on the Closing Date and the use of proceeds thereof and (iii) the payment of fees and expenses in connection with the foregoing, in each case prepared for (y) the most recently ended fiscal quarter as if such transactions had occurred on such date and (z) on a quarterly basis through the first full fiscal year after the Closing Date or subsequent Borrowing Date, as applicable, and on an annual basis for each fiscal year thereafter through the Term Loan Maturity Date, in each case demonstrating pro forma compliance with the covenants set forth in Section 7.1.

**“Projections”**: as defined in [Section 6.2\(b\)](#).

**“Properties”**: as defined in [Section 4.17\(a\)](#).

**“Qualified Cash”**: an amount equal to the unrestricted cash and Cash Equivalents of the Loan Parties in which the Administrative Agent has a perfected security interest.

**“Qualified Counterparty”**: with respect to any Specified Swap Agreement, any counterparty thereto that, at the time such Specified Swap Agreement was entered into or as of the Closing Date, was the Administrative Agent or a Lender or an Affiliate of the Administrative Agent or a Lender.

**“Qualified ECP Guarantor”**: in respect of any Swap Obligation, (a) each Guarantor that has total assets exceeding \$10,000,000 at the time the relevant Guarantee Obligation of such Guarantor provided in respect of, or the Lien granted by such Guarantor to secure, such Swap Obligation (or guaranty thereof) becomes effective with respect to such Swap Obligation, and (b) any other Guarantor that (i) constitutes an “eligible contract participant” under the Commodity Exchange Act or any regulations promulgated thereunder, or (ii) can cause another Person

(including, for the avoidance of doubt, any other Guarantor not then constituting a “Qualified ECP Guarantor”) to qualify as an “eligible contract participant” at such time by entering into a “keepwell, support, or other agreement” as contemplated by Section 1a(18)(A)(v)(II) of the Commodity Exchange Act.

“**Qualified Public Offering**”: the initial underwritten public offering and sale to the public of common Capital Stock of Parent (or any direct or indirect parent of Parent) pursuant to an effective registration statement filed with the Securities and Exchange Commission in accordance with the Securities Act of 1933 (or equivalent foreign governmental entity).

“**Recipient**”: any of the Administrative Agent, the L/C Issuer or a Lender, as applicable.

“**Recovery Event**”: any settlement of or payment in respect of any property or casualty insurance claim or any condemnation proceeding relating to any asset of any Group Member.

“**Register**”: the Revolving Loan Register or the Term Loan Register, as the context requires.

“**Regulation T**”: Regulation T of the Board as in effect from time to time.

“**Regulation U**”: Regulation U of the Board as in effect from time to time.

“**Regulation X**”: Regulation X of the Board as in effect from time to time.

“**Reinvest**”: to acquire or repair assets used or useful in the business of Holdings or any of its Subsidiaries with an amount equal to the Net Cash Proceeds of an Asset Sale or Recovery Event.

“**Reinvestment**”: acquisition or repair of assets used or useful in the relevant Person’s business with an amount equal to Net Cash Proceeds of an Asset Sale or Recovery Event.

“**Reinvestment Deferred Amount**”: with respect to any Reinvestment Event, the aggregate Net Cash Proceeds received by any Loan Party in connection therewith that are not applied to prepay the Loans or other amounts pursuant to Section 2.12(c) as a result of the delivery of a Reinvestment Notice.

“**Reinvestment Event**”: any Asset Sale or Recovery Event in respect of which the Borrower has delivered a Reinvestment Notice.

“**Reinvestment Notice**”: a written notice executed by a Responsible Officer stating that no Default or Event of Default has occurred and is continuing and that the Loan Parties (directly or indirectly through a Subsidiary) intend and expect to Reinvest all or a specified portion of an amount equal to the Net Cash Proceeds of an Asset Sale or Recovery Event within 270 days of the Asset Sale or Recovery Event and to irrevocably commit such funds to such Reinvestment within 180 days of the Asset Sale or Recovery Event.

**“Reinvestment Prepayment Amount”**: with respect to any Reinvestment Event, the Reinvestment Deferred Amount relating thereto less any amount actually Reinvested prior to the relevant Reinvestment Prepayment Date.

**“Reinvestment Prepayment Date”**: with respect to any Reinvestment Event, the earlier of (a) the 180th day following the date of such Reinvestment Event, or the 270th day following the date of such Reinvestment Event if the Reinvestment Deferred Amount has been irrevocably committed to be Reinvested within 180 days after such Reinvestment Event, and (b) the date on which the Borrower shall have determined not to, or shall have otherwise ceased to, make Reinvestments with all or any portion of the relevant Reinvestment Deferred Amount.

**“Related Parties”**: with respect to any Person, such Person’s Affiliates and the partners, directors, officers, employees, agents and advisors of such Person and of such Person’s Affiliates.

**“Replacement Lender”**: as defined in [Section 2.23\(c\)](#).

**“Reportable Event”**: any of the events set forth in Section 4043(c) of ERISA, other than those events as to which the thirty day notice period is waived under PBGC regulations.

**“Required Lenders”**: at any time, (a) if only one Lender holds the outstanding Term Loans and the Revolving Commitments, such Lender; and (b) if more than one Lender that is not a Defaulting Lender holds the outstanding Term Loans and Revolving Commitments, then at least two Lenders that are not Defaulting Lenders who hold in the aggregate more than 50% of the sum of (i) the aggregate unpaid principal amount of the Term Loans then outstanding, and (ii) the Total Revolving Commitments (including, without duplication, the L/C Commitments) then in effect or, if the Revolving Commitments have been terminated, the Total Revolving Extensions of Credit then outstanding; provided that for the purposes of this clause (b), the outstanding principal amount of the Term Loans held by any Defaulting Lender and the Revolving Commitments of, and the portion of the Revolving Loans and participations in L/C Exposure held or deemed held by, any Defaulting Lender shall be excluded for purposes of making a determination of Required Lenders; and provided further that a Lender and its Affiliates shall be deemed one “Lender” for the purposes of this clause (b).

**“Requirement of Law”**: as to any Person, the Certificate of Incorporation and By-Laws or other organizational, constitutional or governing documents of such Person, and any law, treaty, rule or regulation or determination of an arbitrator or a court or other Governmental Authority (including, for the avoidance of doubt, the Basel Committee on Banking Supervision and any successor thereto or similar authority or successor thereto), in each case applicable to or binding upon such Person or any of its property or to which such Person or any of its property is subject.

**“Reserves”**: reserves against the Borrowing Base, in each case that the Administrative Agent may, in its Permitted Discretion, establish from time to time in accordance with the definition of Eligible Accounts.

**“Responsible Officer”**: the chief executive officer, president, vice president, chief financial officer, chief operating officer, treasurer, controller or comptroller or any director of a Loan Party (provided that where such Loan Party is: (i) the Borrower (or another Loan Party incorporated in the UK) it shall refer to any of its directors; and (ii) a Cayman Islands exempted limited partnership it shall refer to the chief executive officer, president, vice president, chief financial officer, treasurer, controller or comptroller or any director of its general partner or ultimate general partner, as applicable), but in any event, with respect to financial matters, the chief financial officer, treasurer, controller or comptroller or any director of a Loan Party (provided that where such Loan Party is: (i) the Borrower (or another Loan Party incorporated in the UK) it shall refer to any of its directors; and (ii) a Cayman Islands exempted limited partnership it shall refer to the chief financial officer, treasurer, controller or comptroller or any director of its general partner or ultimate general partner, as applicable).

**“Restricted Payments”**: as defined in Section 7.6.

**“Revolving Commitment”**: as to any Lender, the obligation of such Lender, if any, to make Revolving Loans and participate in Letters of Credit in an aggregate principal amount not to exceed the amount set forth under the heading “Revolving Commitment” opposite such Lender’s name on Schedule 1.1A, as such Schedule 1.1A may be amended from time to time pursuant to Section 2.26 or in the Assignment and Assumption pursuant to which such Lender became a party hereto, as the same may be changed from time to time pursuant to the terms hereof (including in connection with assignments permitted hereunder). The original amount of the Total Revolving Commitments is \$10,000,000.

**“Revolving Commitment Period”**: the period from and including the Closing Date to the Revolving Termination Date.

**“Revolving Extensions of Credit”**: as to any Revolving Lender at any time, an amount equal to the sum of (a) the aggregate principal amount of all Revolving Loans held by such Lender then outstanding, (b) such Lender’s L/C Percentage of the aggregate undrawn amount of all outstanding Letters of Credit at such time, and (c) such Lender’s L/C Percentage of the aggregate amount of all L/C Disbursements that have not yet been reimbursed or converted into Revolving Loans at such time.

**“Revolving Facility”**: the Revolving Commitments and the extensions of credit made hereunder.

**“Revolving Lender”**: each Lender that has a Revolving Commitment or that holds Revolving Loans.

**“Revolving Loan Conversion”**: as defined in Section 3.5(b).

**“Revolving Loan Funding Office”**: the office of the Administrative Agent specified in Section 10.2 or such other office as may be specified from time to time by the Administrative Agent as its funding office by written notice to the Borrower and the Lenders.

**“Revolving Loan Note”**: a promissory note in the form of Exhibit H-1, as it may be amended, supplemented or otherwise modified from time to time.

**“Revolving Loan Register”**: as defined in Section 10.6(b)(v).

**“Revolving Loans”**: as defined in Section 2.4(a).

**“Revolving Percentage”**: as to any Revolving Lender at any time, the percentage which such Lender’s Revolving Commitment then constitutes of the Total Revolving Commitments or, at any time after the Revolving Commitments shall have expired or terminated, the percentage which the aggregate principal amount of such Lender’s Revolving Loans then outstanding constitutes of the aggregate principal amount of all Revolving Loans then outstanding; provided that in the event that the Revolving Loans are paid in full prior to the reduction to zero of the Total Revolving Commitments, the Revolving Percentages shall be determined in a manner designed to ensure that the other outstanding Revolving Extensions of Credit shall be held by the Revolving Lenders on a comparable basis.

**“Revolving Termination Date”**: December 21, 2022.

**“S&P”**: Standard & Poor’s Ratings Services.

**“Sale Leaseback Transaction”**: any arrangement with any Person or Persons, whereby in contemporaneous or substantially contemporaneous transactions a Loan Party sells substantially all of its right, title and interest in any property and, in connection therewith, acquires, leases or licenses back the right to use all or a material portion of such property.

**“Sanction(s)”**: any international economic sanction administered or enforced by the United States Government (including OFAC), the United Nations Security Council, the European Union, Her Majesty’s Treasury, or other relevant sanctions authority.

**“SEC”**: the Securities and Exchange Commission, any successor thereto and any analogous Governmental Authority.

**“Secured Parties”**: the collective reference to the Administrative Agent, the Lenders (including any Issuing Lender in its capacity as Issuing Lender), any Lender or Affiliate thereof (in its capacity as a provider of Bank Services), the Security Trustee and any Qualified Counterparties.

**“Securities Account”**: any “securities account” as defined in the UCC with such additions to such term as may hereafter be made.

**“Securities Act”**: the Securities Act of 1933, as amended from time to time and any successor statute.

**“Security Documents”**: the collective reference to the Guarantee and Collateral Agreement, the Mortgages, the Intellectual Property Security Agreements, any Control Agreement, the Foreign Law Security Documents, and all other security documents hereafter delivered to the Administrative Agent granting a Lien on any property of any Person to secure the obligations and liabilities of any Loan Party under any Loan Document.

**“Security Trust Deed”**: the amended and restated security trust dated as of the Closing Date between, inter alia, the Borrower, USCo, the Lenders, SVB (as Security Trustee) and the Administrative Agent, as amended and/or restated, varied, supplemented or novated from time to time.

**“Security Trustee”**: SVB, in its capacity as security trustee for the Secured Parties in accordance with the terms of the Security Trust Deed.

**“Solvency Certificate”**: the collective reference to the Solvency Certificate and the Declaration of Solvency, each dated the Closing Date, delivered to the Administrative Agent pursuant to Section 5.1(p), which Solvency Certificate and Declaration of Solvency shall be in substantially the form of Exhibit D-1 and Exhibit D-2, respectively.

**“Solvent”**: when used with respect to any Person, means that, as of any date of determination, (a) the amount of the “fair value” of the assets of such Person will, as of such date, exceed the amount of all “liabilities of such Person, contingent or otherwise,” as of such date, as such quoted terms are determined in accordance with applicable federal and state laws governing determinations of the insolvency of debtors, (b) the “present fair saleable value” of the assets of such Person will, as of such date, be greater than the amount that will be required to pay the liability of such Person on its debts as such debts become absolute and matured, as such quoted terms are determined in accordance with applicable federal and state laws governing determinations of the insolvency of debtors, (c) such Person will not have, as of such date, an unreasonably small amount of capital with which to conduct its business, and (d) such Person will be able to pay its debts as they mature. For purposes of this definition, (i) “debt” means liability on a “claim,” and (ii) “claim” means any (x) right to payment, whether or not such a right is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured or unsecured or (y) right to an equitable remedy for breach of performance if such breach gives rise to a right to payment, whether or not such right to an equitable remedy is reduced to judgment, fixed, contingent, matured or unmatured, disputed, undisputed, secured or unsecured.

**“Specified Swap Agreement”**: any Swap Agreement entered into by the Borrower and any Qualified Counterparty (or any Person who was a Qualified Counterparty as of the Closing Date or as of the date such Swap Agreement was entered into) in respect of interest rates or currency exchange rates to the extent permitted under Section 7.13; provided, however, that any Specified Swap Agreement shall exclude any Excluded Swap Obligation.

**“Sponsor”**: collectively, Vector Entrepreneur Fund III, L.P. and Vector IV International LP and their respective Affiliates.

**“Subsidiary”**: as to any Person, (a) a “subsidiary” as such term is defined in section 1159 of the UK Companies Act 2006, (b) unless the context otherwise requires, a subsidiary undertaking within the meaning of section 1162 of the UK Companies Act 2006, or (c) a corporation, partnership, limited liability company or other entity of which shares of stock or other ownership interests having ordinary voting power (other than stock or such other ownership interests having such power only by reason of the happening of a contingency) to elect a majority of the board of directors or other managers of such corporation, partnership or other entity are at the time owned, or the management of which is otherwise controlled, directly or indirectly through one or more intermediaries, or both, by such Person. Unless otherwise qualified, all references to a “**Subsidiary**” or to “**Subsidiaries**” in this Agreement shall refer to a Subsidiary or Subsidiaries of the Borrower or Holdings.



**“Subsidiary Guarantor”**: each Wholly Owned Subsidiary of the Borrower other than Immaterial Subsidiaries, including, without limitation Cambium Networks, Inc., a Delaware corporation.

**“Surety Indebtedness”**: as of any date of determination, indebtedness (contingent or otherwise) owing to sureties arising from bid, performance, or surety bonds, or letters of credit supporting such bid, performance, or surety obligations, issued on behalf of Holdings and its consolidated Subsidiaries as support for, among other things, their contracts with customers, whether such indebtedness is owing directly or indirectly by Holdings and its consolidated Subsidiaries.

**“SVB”**: as defined in the preamble hereto.

**“Swap Agreement”**: any agreement with respect to any swap, hedge, forward, future or derivative transaction or option or similar agreement (including without limitation, any Interest Rate Agreement) involving, or settled by reference to, one or more rates, currencies, commodities, equity or debt instruments or securities, or economic, financial or pricing indices or measures of economic, financial or pricing risk or value or any similar transaction or any combination of these transactions; provided that no phantom stock or similar plan providing for payments only on account of services provided by current or former directors, officers, employees or consultants of the Group Members shall be deemed to be a “Swap Agreement.”

**“Swap Obligation”**: with respect to any Guarantor, any obligation of such Guarantor to pay or perform under any agreement, contract or transaction that constitutes a “swap” within the meaning of Section 1a(47) of the Commodity Exchange Act.

**“Swap Termination Value”**: in respect of any one or more Swap Agreements, after taking into account the effect of any legally enforceable netting agreement relating to such Swap Agreements, (a) for any date on or after the date such Swap Agreements have been closed out and termination value(s) determined in accordance therewith, such termination value(s), and (b) for any date prior to the date referenced in clause (a), the amount(s) determined as the mark-to-market value(s) for such Swap Agreements, as determined based upon one or more mid-market or other readily available quotations provided by any recognized dealer in such Swap Agreements (which may include a Qualified Counterparty).

**“Synthetic Lease Obligation”**: the monetary obligation of a Person under (a) a so-called synthetic, off-balance sheet or tax retention lease or (b) an agreement for the use of property creating obligations that do not appear on the balance sheet of such Person but which, upon the insolvency or bankruptcy of such Person, would be characterized as the indebtedness of such Person (without regard to accounting treatment).

**“Taxes”**: all present or future taxes, levies, imposts, duties, deductions, withholdings (including backup withholding), assessments, fees or other charges imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

**“Term Commitment”**: as to any Lender, the obligation of such Lender, if any, to make a Term Loan to the Borrower in an aggregate principal amount not to exceed the amount set forth under the heading “Term Commitment” opposite such Lender’s name on Schedule 1.1A, as such Schedule 1.1A may be amended from time to time pursuant to Section 2.26, if Additional Term Loans are advanced thereunder. The original aggregate amount of the Term Commitments is \$90,000,000.

**“Term Facility”**: the Term Commitments and the Term Loans made thereunder.

**“Term Lender”**: each Lender that has a Term Commitment or that holds a Term Loan.

**“Term Loan”**: the term loans made by the Lenders pursuant to Section 2.1 and to the extent funded, any Additional Term Loans made by the Term Lenders pursuant to Section 2.26.

**“Term Loan Funding Office”**: the office of the Administrative Agent specified in Section 10.2 or such other office as may be specified from time to time by the Administrative Agent as its funding office by written notice to the Borrower and the Lenders.

**“Term Loan Maturity Date”**: December 21, 2022.

**“Term Loan Note”**: a promissory note in the form of Exhibit H-2, as it may be amended, supplemented or otherwise modified from time to time.

**“Term Loan Register”**: as defined in Section 10.6(b)(v).

**“Term Percentage”**: as to any Term Lender at any time, the percentage which such Lender’s Term Commitment then constitutes of the aggregate Term Commitments (or, at any time after the Closing Date, the percentage which the aggregate principal amount of such Lender’s Term Loans then outstanding constitutes of the aggregate principal amount of the Term Loans then outstanding).

**“Total Liabilities”**: on any date of determination, obligations that should, under GAAP, be classified as liabilities on the Group Members’ consolidated balance sheet. For the avoidance of doubt Total Liabilities shall not include current deferred revenue balances and accounts payables that are aged less than 60 days.

**“Total L/C Commitments”**: at any time, the sum of all L/C Commitments at such time, as the same may be reduced from time to time pursuant to Section 2.10 or 3.5(b). The initial amount of the Total L/C Commitments (which is part of the Revolving Commitment on the Closing Date is \$5,000,000.

**“Total Revolving Commitments”**: at any time, the aggregate amount of the Revolving Commitments then in effect.

**“Total Revolving Extensions of Credit”**: at any time, the aggregate amount of the Revolving Extensions of Credit outstanding at such time.

**“Transactions”**: as defined in the recitals.

**“Transferee”**: any Eligible Assignee or Participant.

**“Type”**: as to any Loan, its nature as an ABR Loan or a Eurodollar Loan.

**“UK Charge Over Shares”**: collectively, (i) the charge over shares dated the Original Closing Date entered into between USCo and the Security Trustee; and (ii) the charge over shares dated the Original Closing Date entered into between Holdings and the Security Trustee, each in respect of the Capital Stock of Borrower and each as amended and/or restated, supplemented, varied or novated from time to time.

**“UK Debenture”**: the debenture dated the Original Closing Date between Borrower and the Security Trustee, as amended and/or restated, supplemented, varied or novated from time to time.

**“UK IP Charge”**: a deed of charge dated the Original Closing Date entered into between USCo and the Security Trustee in respect of Intellectual Property registered in the United Kingdom and the European Union, as amended and/or restated, supplemented, varied or novated from time to time.

**“UK Insolvency Proceeding”**: in relation to any Person: (a) any step is taken with a view to a moratorium or a composition, assignment or similar arrangement with any of its creditors; (b) a meeting of its shareholders, directors or other officers is convened for the purpose of considering any resolution for, to petition for or to make an application to or to file documents with a court or any registrar for, its winding-up, administration or dissolution or any such resolution is passed; (c) an order is made for its winding-up, administration or dissolution, or any Person presents a petition, or makes an application to or files documents with a court or any registrar, for its winding-up, administration or dissolution, or gives notice to Administrative Agent of an intention to appoint an administrator save where vexatious or frivolous and discharged within fourteen (14) days; (d) any liquidator, receiver, administrative receiver, administrator or similar officer is appointed in respect of it or any of its assets; or (e) its shareholders, directors or other officers request the appointment of, or give notice of their intention to appoint, a liquidator, receiver, administrator or similar officer.

**“UK Non-Bank Lender”**: a Lender which is either (a) a company resident in the United Kingdom for United Kingdom tax purposes, (b) a partnership each member of which is (i) a company so resident in the United Kingdom, or (ii) a company not so resident in the United Kingdom which carries on a trade in the United Kingdom through a permanent establishment and which brings into account in computing its chargeable profits (within the meaning of section 19 of CTA 2009) the whole of any share of interest payable in respect of that advance that falls to it by reason of Part 17 of CTA 2009, or (c) a company not so resident in the United Kingdom which carries on a trade in the United Kingdom through a permanent establishment and which brings into account interest payable in respect of that advance in computing the chargeable profits (within the meaning of section 19 of CTA 2009) of that company.

**“UK Qualifying Lender”**: a Lender which is beneficially entitled to interest payable to that Lender in respect of an advance under a Loan Document and is (a) a Lender (i) which is a bank (as defined for the purpose of section 879 of ITA 2007) making an advance under a Loan Document or (ii) in respect of an advance made under a Loan Document by a person that was a bank (as defined for the purpose of section 879 of ITA 2007) at the time that that advance was made, (b) is a UK Non-Bank Lender or (c) is a UK Treaty Lender.

**“UK Security Documents”**: the UK Charges Over Shares, the UK Debenture, the UK IP Charge

**“UK Tax Confirmation”**: a written confirmation given by a Lender that the person beneficially entitled to interest payable to that Lender in respect of an advance under a Loan Document is a UK Non-Bank Lender.

**“UK Treaty Lender”**: a Lender which is treated as a resident of a UK Treaty State for the purposes of the relevant UK Treaty, which does not carry on a business in the United Kingdom with which that Lender’s participation in a Loan is effectively connected and which meets all the conditions (subject to the completion of procedural formalities) which must be satisfied by a lender under the relevant UK Treaty in order to access the benefits thereof.

**“UK Treaty State”**: a jurisdiction having a double taxation agreement (a **“UK Treaty”**) with the United Kingdom which makes provision for full exemption from tax imposed by the United Kingdom on interest.

**“Unfriendly Acquisition”**: any acquisition that has not, at the time of the first public announcement of an offer relating thereto, been approved by the board of directors (or other legally recognized governing body or court of competent jurisdiction) of the Person to be acquired.

**“United Kingdom”** or **“UK”**: the United Kingdom of Great Britain and Northern Ireland.

**“Uniform Commercial Code”** or **“UCC”**: the Uniform Commercial Code (or any similar or equivalent legislation) as in effect from time to time in the State of New York, or as the context may require, any other applicable jurisdiction.

**“United States”**: the United States of America.

**“U.S. Person”**: any Person that is a “United States Person” as defined in Section 7701(a)(30) of the Code.

**“U.S. Tax Compliance Certificate”**: as defined in Section 2.20(f).

**“USCo”**: Cambium (US), L.L.C, a Delaware limited liability company.

**“Wholly Owned Subsidiary”**: as to any Person, any other Person all of the Capital Stock of which (other than directors’ qualifying shares and other de minimis shares required by law) is owned by such Person directly and/or through other Wholly Owned Subsidiaries.

**“Withholding Agent”**: as applicable, any applicable Loan Party and the Administrative Agent, as the context may require.

**“Write-Down and Conversion Powers”**: with respect to any EEA Resolution Authority, the write-down and conversion powers of such EEA Resolution Authority from time to time under the Bail-In Legislation for the applicable EEA Member Country, which write-down and conversion powers are described in the EU Bail-In Legislation Schedule.

**“2017 Dividend”**: a return of capital and inter-company loan in an aggregate amount not to exceed \$75,000,000 of which (A) amounts not to exceed \$8,700,000 shall be applied to the cancellation of preferred shares and ordinary shares (issued by way of a bonus issue on or prior to the date of this Agreement) held by Holdings in the capital of the Borrower and (B) amounts not to exceed \$66,300,000 shall be applied by the Borrower to the cancellation of ordinary shares held by USCo in the capital of the Borrower to then be distributed (whether by way of capital redemption or otherwise) to the Cayman Parent Guarantor (a portion of which in the amount of \$24,400,000 shall be contributed in the form of an intercompany loan) for further distribution to the equity owners of Holdings.

**“2017 Management Fee”**: the Management Fee in an amount not to exceed \$2,000,000 funded to the balance sheet of the Borrower on the Closing Date.

## **1.2 Other Definitional Provisions.**

(a) Unless otherwise specified therein, all terms defined in this Agreement shall have the defined meanings when used in the other Loan Documents or any certificate or other document made or delivered pursuant hereto or thereto.

(b) As used herein and in the other Loan Documents, and any certificate or other document made or delivered pursuant hereto or thereto, (i) accounting terms relating to any Group Member not defined in Section 1.1 and accounting terms partly defined in Section 1.1, to the extent not defined, shall have the respective meanings given to them under GAAP, (ii) the words “include,” “includes” and “including” shall be deemed to be followed by the phrase “without limitation,” (iii) the word “incur” shall be construed to mean incur, create, issue, assume, become liable in respect of or suffer to exist (and the words “incurred” and “incurrence” shall have correlative meanings), (iv) the words “asset” and “property” shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, Capital Stock, securities, revenues, accounts, leasehold interests and contract rights, and (v) references to agreements (including this Agreement) or other Contractual Obligations shall, unless otherwise specified, be deemed to refer to such agreements or Contractual Obligations as amended, supplemented, restated, amended and restated or otherwise modified from time to time. Except as expressly provided to the contrary herein, if any information, certificate, financial statement or other materials shall be required to be delivered on a day that is not a Business Day, then the due date therefor shall be deemed to be the first Business Day after such day. Certifications made by any officer of any Group Member shall be in such officer’s capacity as such and not in any individual capacity. Any financial ratios required to be maintained by the Borrower pursuant to this Agreement shall be calculated by dividing the appropriate component by the other component, carrying the result to one place more than the number of places by which such ratio is expressed herein and rounding the result up or down to the nearest number (with a rounding-up if there is no nearest number).

(c) The words “*hereof*,” “*herein*” and “*hereunder*” and words of similar import, when used in this Agreement, shall refer to this Agreement as a whole and not to any particular provision of this Agreement, and Section, Schedule and Exhibit references are to this Agreement unless otherwise specified.

(d) The meanings given to terms defined herein shall be equally applicable to both the singular and plural forms of such terms.

(e) As of any date of determination, for purposes of determining the Consolidated Leverage Ratio or the Consolidated Fixed Charge Coverage Ratio (and any financial calculations required to be made or included within such ratios), the calculation of such ratios and other financial calculations shall include or exclude, as the case may be, the effect of any material acquisitions and material Dispositions by Holdings or any of its Subsidiaries pursuant to the terms hereof (including through mergers or consolidations) occurring as of or prior to such date of determination, as determined by Holdings on a Pro Forma Basis in accordance with GAAP, which determination may, include one-time adjustments or reductions in costs, if any, directly attributable to any such material acquisition or material Disposition, as the case may be, in each case as determined on a basis consistent with Article 11 of Regulation S-X of the Securities Act, as interpreted by the Staff of the Securities and Exchange Commission (except that cost savings may be calculated to give effect to actions taken or to be taken by Holdings and its Subsidiaries within eighteen months after the date of such material acquisition or material Disposition and based on Holdings’ good faith estimates of the impact of such actions; provided that (i) such actions have been disclosed in writing to the Administrative Agent pursuant to an officer’s certificate, and (ii) such cost savings are reasonably identifiable and factually supportable, as determined by the Administrative Agent in its reasonable discretion. “*Pro Forma Basis*” means, with respect to compliance with any test or covenant hereunder, compliance with such test or covenant after giving effect to (a) any material acquisition, (b) any material Disposition or (c) any incurrence of Indebtedness using, for purposes of determining such compliance, the historical financial statements of all entities or assets so acquired or sold (to the extent available) and the consolidated financial statements of Holdings and its Subsidiaries, which shall be reformulated as if such material acquisition or material Disposition, and all other material acquisitions or material Dispositions that have been consummated during the period, and any Indebtedness or other liabilities to be incurred or repaid in connection therewith had been consummated and incurred or repaid at the beginning of such period (and assuming that such Indebtedness to be incurred bears interest during any portion of the applicable measurement period prior to the relevant acquisition at the weighted average of the interest rates applicable to outstanding Loans incurred during such period).

(f) Any Responsible Officer executing any Loan Document or any other certificate or other document made or delivered pursuant hereto or thereto, so executes or certifies in his/her capacity as a Responsible Officer on behalf of the applicable Loan Party and not in an individual capacity.

**1.3 Limited Condition Acquisitions.** In connection with any action being taken in connection with a Limited Condition Acquisition, for purposes of determining compliance with any provision of this Agreement which requires the calculation of the Consolidated Leverage Ratio, the Consolidated Fixed Charge Coverage Ratio or any other financial ratio or metric, at the option of the Borrower (and, if the Borrower elects to exercise such option, such option shall be exercised on or prior to the date on which the definitive agreement for such Limited Condition Acquisition is executed) (the Borrower's election to exercise such option in connection with any Limited Condition Acquisition, an "**LCA Election**"), then notwithstanding anything else to the contrary contained in this Agreement, the date of determination of whether any such action is permitted hereunder, shall be deemed to be the date the definitive agreements for such Limited Condition Acquisition are entered into (the "**LCA Test Date**"), and if, after giving pro forma effect to the Limited Condition Acquisition and the other transactions to be entered into in connection therewith (including any Incurrence of Indebtedness and the use of proceeds thereof) as if they had occurred at the beginning of the most recent period of four fiscal quarters then ended prior to the LCA Test Date for which consolidated financial statements of Holdings are available, the Borrower could have taken such action on the relevant LCA Test Date in compliance with such ratio or basket, such ratio or basket shall be deemed to have been complied with. If the Borrower has made an LCA Election for any Limited Condition Acquisition, then in connection with any subsequent calculation of any ratio or basket availability with respect to the incurrence of Indebtedness, the grant of Liens, or the making of Restricted Payments, Dispositions, mergers and consolidations or other transfer of all or substantially all of the assets of any Loan Party or any Subsidiary on or following the relevant LCA Test Date and prior to the earlier of the date on which such Limited Condition Acquisition is consummated or the definitive agreement for such Limited Condition Acquisition is terminated or expires without consummation of such Limited Condition Acquisition, any such ratio or basket shall be calculated on a Pro Forma Basis assuming such Limited Condition Acquisition and other transactions in connection therewith (including any incurrence of Indebtedness and the use of proceeds thereof) have been consummated.

## SECTION 2

### AMOUNT AND TERMS OF COMMITMENTS

**2.1 Term Commitments.** One or more Lenders previously made Term Loans to the Borrower on the Original Closing Date in an aggregate original principal amount equal to \$30,000,000, the aggregate outstanding principal balance of which is \$21,887,500 as of the Closing Date. The Existing Term Loan (together with all accrued and unpaid interest, fees, indemnities, costs and other payment obligations that are outstanding immediately prior to the Closing Date) are owing as of the Closing Date, and are payable without set-off, counterclaim, deduction, offset or defense. Subject to the terms and conditions hereof, each Term Lender severally (and not jointly) agrees to make a Term Loan to the Borrower on the Closing Date in an amount equal to the amount of the Term Commitment of such Lender. The Term Loans may from time to time be Eurodollar Loans or ABR Loans, as determined by the Borrower and notified to the Administrative Agent in accordance with Sections 2.2 and 2.12, and once repaid in accordance with the provisions hereof may not be reborrowed.

**2.2 Procedure for Term Loan Borrowing.** The Borrower shall give the Administrative Agent an irrevocable Notice of Borrowing (which must be received by the Administrative Agent prior to 10:00 A.M., Pacific time, one Business Day prior to the anticipated Closing Date (with originals to follow within 3 Business Days)) requesting that the Term Lenders make the Term Loans on the Closing Date and specifying the amount to be

borrowed. The Term Loans made on the Closing Date shall initially be ABR Loans and, unless otherwise agreed by the Administrative Agent in its sole discretion, no Term Loan may be converted into or continued as a Eurodollar Loan having an Interest Period in excess of one month prior to the date that is 30 days after the Closing Date. Upon receipt of such Notice of Borrowing, the Administrative Agent shall promptly notify each Term Lender thereof. Not later than 12:00 P.M., Pacific time, on the Closing Date each Term Lender shall make available to the Administrative Agent at the Term Loan Funding Office an amount in immediately available funds equal to the Term Loan or Term Loans to be made by such Lender. The Administrative Agent shall credit the account of the Borrower on the books of such office of the Administrative Agent with the aggregate of the amounts made available to the Administrative Agent by the Term Lenders in immediately available funds or as otherwise specified in the Flow of Funds Agreement.

**2.3 Repayment of Term Loans.** Beginning on March 31, 2018 the Term Loans shall be repaid in consecutive quarterly installments on the last day of each fiscal quarter set forth below, each of which installments shall be in an amount equal to such Lender's Term Percentage multiplied by the installment amount set forth below opposite such installment payment date:

<u>Installment Payment Dates</u>	<u>Installment Amount</u>
March 31, 2018	\$ 1,125,000.00
June 30, 2018	\$ 1,125,000.00
September 30, 2018	\$ 1,125,000.00
December 31, 2018	\$ 1,125,000.00
March 31, 2019 and the last day of each calendar quarter thereafter	\$ 2,250,000.00

To the extent not previously paid, all Term Loans shall be due and payable on the Term Loan Maturity Date, together with accrued and unpaid interest on the principal amount to be paid to but excluding the date of payment.

**2.4 Revolving Commitments.**

(a) Subject to the terms and conditions hereof, each Revolving Lender severally agrees to make revolving credit loans (each, a "**Revolving Loan**" and, collectively, the "**Revolving Loans**") to the Borrower from time to time during the Revolving Commitment Period in an aggregate principal amount at any one time outstanding which, when added to the aggregate undrawn amount of all outstanding Letters of Credit and the aggregate amount of all L/C Disbursements that have not yet been reimbursed or converted into Revolving Loans, incurred on behalf of the Borrower and owing to such Lender, does not exceed the amount of such Lender's Revolving Commitment. In addition, such aggregate obligations shall not at any time exceed the lesser of (i) the Total Revolving Commitments at such time and (ii) the Borrowing Base at such time. No Revolving Extension of Credit shall be outstanding on the Closing Date. No portion of the Revolving Loans shall be funded with "plan assets" of any "benefit plan investor" within the meaning of Section 3(42) of ERISA. During the Revolving



Commitment Period the Borrower may use the Revolving Commitments by borrowing, prepaying the Revolving Loans in whole or in part, and reborrowing, all in accordance with the terms and conditions hereof. The Revolving Loans may from time to time be Eurodollar Loans or ABR Loans, as determined by the Borrower and notified to the Administrative Agent in accordance with Sections 2.5 and 2.13.

(b) The Borrower shall repay all outstanding Revolving Loans on the Revolving Termination Date.

**2.5 Procedure for Revolving Loan Borrowing.** The Borrower may borrow under the Revolving Commitments during the Revolving Commitment Period on any Business Day; provided that the Borrower shall give the Administrative Agent an irrevocable Notice of Borrowing (which must be received by the Administrative Agent prior to 10:00 A.M., Pacific time, (a) three Business Days prior to the requested Borrowing Date, in the case of Eurodollar Loans, or (b) one Business Day prior to the requested Borrowing Date, in the case of ABR Loans (in each case, with originals to follow within 3 Business Days)) (provided that any such Notice of Borrowing of ABR Loans under the Revolving Facility to finance payments under Section 3.5(a) may be given not later than 10:00 A.M., Pacific time, on the date of the proposed borrowing), in each such case specifying (i) the amount and Type of Revolving Loans to be borrowed, (ii) the requested Borrowing Date, (iii) in the case of Eurodollar Loans, the respective amounts of each such Type of Loan and the respective lengths of the initial Interest Period therefor, and (iv) instructions for remittance of the proceeds of the applicable Loans to be borrowed. Unless otherwise agreed by the Administrative Agent in its sole discretion, no Revolving Loan may be made as, converted into or continued as a Eurodollar Loan having an Interest Period in excess of one month prior to the date that is 30 days after the Closing Date. Each borrowing under the Revolving Commitments shall be in an amount equal \$100,000 or a whole multiple thereof (or, if the then aggregate Available Revolving Commitments are less than \$100,000, such lesser amount. Upon receipt of any such Notice of Borrowing from the Borrower, the Administrative Agent shall promptly notify each Revolving Lender thereof. Each Revolving Lender will make the amount of its *pro rata* share of each such borrowing available to the Administrative Agent for the account of the Borrower at the Revolving Loan Funding Office prior to 12:00 P.M., Pacific time, on the Borrowing Date requested by the Borrower in funds immediately available to the Administrative Agent. Such borrowing will then be made available to the Borrower by the Administrative Agent crediting such account as is designated in writing to the Administrative Agent by the Borrower with the aggregate of the amounts made available to the Administrative Agent by the Revolving Lenders and in like funds as received by the Administrative Agent. No Revolving Loan will be made on the Closing Date. In lieu of delivering a written notice, the Borrower may give the Administrative Agent telephonic notice by the required time of any proposed borrowing under this Section 2.5; provided that such notice shall be promptly confirmed in writing by delivery of a written notice to the Administrative Agent on or before the applicable funding date (but in any case prior to funding).

2.6 [Reserved].

2.7 [Reserved].

**2.8 Overadvances.** If at any time or for any reason the aggregate amount of all Revolving Extensions of Credit of all of the Lenders exceeds the lesser of (x) the amount of the Total Revolving Commitments then in effect, and (y) the amount of the Borrowing Base then in effect (any such excess, an “**Overadvance**”), the Borrower shall, if the amount of such Overadvance is (a) equal or greater than \$500,000, immediately pay the full amount of such Overadvance to the Administrative Agent, without notice or demand, or (b) less than \$500,000, within one (1) Business Day after the receipt of a request by the Administrative Agent therefore, pay the full amount of such Overadvance to the Administrative Agent, in each case, for application against the Revolving Extensions of Credit in accordance with the terms hereof. Any prepayment of any Revolving Loan that is a Eurodollar Loan hereunder shall be subject to Borrower’s obligation to pay any amounts owing pursuant to Section 2.21.

**2.9 Commitment and Other Fees.** The Borrower agrees to pay to the Administrative Agent for its own account and the account of the Lenders, as applicable:

(a) the fees in the amounts and on the dates as set forth in the Fee Letter and to perform any other obligations contained therein, and

(b) as additional compensation for the Revolving Commitment, the Borrower shall pay the Administrative Agent for the benefit of Revolving Lenders, in arrears, on the first day of each calendar quarter from and after the Closing Date through the Revolving Termination Date and on the Revolving Termination Date, a fee for the Borrower’s non use of available funds in an amount equal to the 0.50% per annum (calculated on the basis of a 360 day year for actual days elapsed) multiplied by the difference between (x) the Revolving Commitment (as it may be reduced from time to time) and (y) the average for the period of the daily closing balance of the Revolving Loans outstanding (including the sum of the aggregate undrawn amount of all outstanding Letters of Credit at such time plus the aggregate amount of all L/C Disbursements that have not yet been reimbursed or converted into Revolving Loans) during the period for which such fee is due.

(c) All fees payable under this Section 2.9 and the Fee Letter shall be fully earned on the date paid and nonrefundable.

**2.10 Termination or Reduction of Revolving Commitments.** The Borrower shall have the right, upon not less than three Business Days’ notice to the Administrative Agent, to terminate the Revolving Commitments or, from time to time, to reduce the amount of the Revolving Commitments; provided that no such termination or reduction of the Revolving Commitments shall be permitted if, after giving effect thereto and to any prepayments of the Revolving Loans made on the effective date thereof, the Total Revolving Extensions of Credit would exceed the Available Revolving Commitments. Any such reduction shall be in an amount equal to \$500,000, or a whole multiple of \$100,000 in excess thereof, and shall reduce permanently the Revolving Commitments then in effect; provided further, if in connection with any such reduction or termination of the Revolving Commitments a Eurodollar Loan is prepaid on any day other than the last day of the Interest Period applicable thereto, the Borrower shall also pay any amounts owing pursuant to Section 2.21. The Borrower shall have the right, upon not less than three Business Days’ notice to the Administrative Agent, to terminate the L/C Commitments or, from time to time, to reduce the amount of the L/C Commitments; provided that no such termination or reduction of L/C Commitments shall be permitted if, after giving

effect thereto, the Total L/C Commitments shall be reduced to an amount that would result in the aggregate L/C Exposure exceeding the Total L/C Commitments (as so reduced). Any such reduction shall be in an amount equal to \$500,000, or a whole multiple of \$100,000 in excess thereof, and shall reduce permanently the L/C Commitments then in effect.

### **2.11 Optional Prepayments and Early Term Loan Prepayment Fee.**

(a) Prepayments Generally. Subject to payment of the amounts described in Section 2.11(b) with respect to optional prepayments of Term Loans, the Borrower may at any time and from time to time prepay the Loans, in whole or in part, upon irrevocable notice delivered to the Administrative Agent no later than 10:00 A.M., Pacific time, three Business Days prior thereto, in the case of Eurodollar Loans, and no later than 10:00 A.M., Pacific time, one Business Day prior thereto, in the case of ABR Loans, which notice shall specify the date and amount of the proposed prepayment; provided that if a Eurodollar Loan is prepaid on any day other than the last day of the Interest Period applicable thereto, the Borrower shall also pay any amounts owing pursuant to Section 2.21; provided, however, that the Borrower may elect that the remainder of such prepayments not applied to prepay ABR Loans be deposited in the Collateral Account and applied thereafter to prepay the Eurodollar Loan or Loans with Interest Periods expiring on a date or dates nearest the date of deposit in accordance with this Section 2.10, upon expiration of such Interest Periods; provided further that if such notice of prepayment indicates that such prepayment is to be conditioned on the occurrence of an event, such notice of prepayment may be revoked if such event does not occur. Upon receipt of any such notice the Administrative Agent shall promptly notify each relevant Lender thereof. If any such notice is given, the amount specified in such notice shall be due and payable on the date specified therein, together with (except in the case of Revolving Loans that are ABR Loans) accrued interest to such date on the amount prepaid. Partial prepayments of Term Loans and Revolving Loans shall be in an aggregate principal amount of \$500,000 or a whole multiple of \$100,000 in excess thereof and prepayment of the Term Loans shall be applied in accordance with Section 2.18(b).

(b) Prepayment Fee Regarding Term Loans. The Term Loans shall not be prepaid in full in connection with a Change of Control or refinancing of a third-party by the Borrower pursuant to Section 2.11(a) prior to the first anniversary of the Closing Date, unless the Borrower pays to the Administrative Agent (for the ratable benefit of the Term Lenders), contemporaneously with the prepayment of such Term Loans, a Term Loan prepayment fee equal to 1.00% of the aggregate amount of the Term Loans so prepaid; provided that if any such prepayment is made as part of a refinancing of this Agreement by SVB or one of its Affiliates, no prepayment fee shall be due to SVB under this Section 2.11(b). Notwithstanding the forgoing, no such prepayment fee shall be payable in connection with a refinancing, repayment or prepayment of the Term Loans in connection with a Qualified Public Offering.

### **2.12 Mandatory Prepayments.**

(a) If any Capital Stock shall be issued by any Group Member, an amount equal to 50% of the Net Cash Proceeds thereof shall be applied within three (3) Business Days after the date of such issuance toward the prepayment of the Term Loans and other amounts as set forth in Section 2.12(e), other than (1) the issuance by any Subsidiary of Capital Stock to

Holdings or any other Subsidiary, as applicable, in accordance with the terms hereof, (2) the issuance of Capital Stock by Holdings to any Permitted Investor (and other existing equity holder on a pro rata basis at the time of issuance to such Permitted Investor), and (3) the issuance of Capital Stock of Holdings to directors, officers and employees of Holdings and its Subsidiaries (x) pursuant to employee stock option plans (or other employee incentive plans or other compensation arrangements) approved by the board of directors or (y) otherwise, in an aggregate amount for all such Net Cash Proceeds under this subclause (y) not to exceed \$500,000.

(b) If any Indebtedness shall be incurred by any Group Member (excluding any Indebtedness incurred in accordance with Section 7.2), an amount equal to 100% of the Net Cash Proceeds thereof shall be applied on the date of such incurrence toward the prepayment of the Term Loans and other amounts as set forth in Section 2.12(e).

(c) If on any date any Group Member shall receive Net Cash Proceeds from any Asset Sale or Recovery Event then, unless a Reinvestment Notice shall be delivered in respect thereof, such Net Cash Proceeds shall be applied within three (3) Business Days after such date toward the prepayment of the Loans and other amounts as set forth in Section 2.12(e); provided that notwithstanding the foregoing, (i) the aggregate Net Cash Proceeds of Asset Sales and Recovery Events that may be excluded from the foregoing requirement pursuant to a Reinvestment Notice shall not exceed \$1,000,000 in any fiscal year of the Borrower and (ii) on each Reinvestment Prepayment Date, an amount equal to the Reinvestment Prepayment Amount with respect to the relevant Reinvestment Event shall be applied toward the prepayment of the Loans and other amounts as set forth in Section 2.12(e).

(d) If, for any fiscal year of the Borrower commencing with the fiscal year ending December 31, 2018, there shall be Excess Cash Flow, the Borrower shall, on the relevant Excess Cash Flow Application Date, apply 50% of such Excess Cash Flow (less the aggregate amount of all prepayments of Revolving Loans during such fiscal year to the extent accompanying optional permanent reductions of the Revolving Commitments and all optional prepayments of the Term Loans during such fiscal year) toward the prepayment of the Loans and other amounts as set forth in Section 2.12(e). Each such prepayment shall be made on a date (an “**Excess Cash Flow Application Date**”) no later than the earliest of (i) three (3) Business Days after the date on which the financial statements of the Borrower referred to in Section 6.1(a), for the fiscal year with respect to which such prepayment is made, are required to be delivered to the Lenders, and (ii) three (3) Business Days after the date such financial statements are actually delivered.

(e) Amounts to be applied in connection with prepayments made pursuant to this Section 2.12 and in connection with the Cure Right shall be applied, first, to the prepayment of the Term Loans *pro rata* according to the respective outstanding principal amounts of the Term Loans then held by the Term Lenders and to the principal installments thereof on a *pro rata* basis until paid in full, and; second, to the extent of any residual, if no such Term Loans remain outstanding, to the prepayment of the Revolving Loans (with no corresponding permanent reduction in the Revolving Commitments); and third, to the extent of any residual, if no such Term Loans or Revolving Loans remain outstanding, to the deposit of an amount in cash (in an amount not to exceed 105% of the then existing L/C Exposure) in a Cash Collateral

account established with the Administrative Agent for the benefit of the L/C Lenders on terms and conditions reasonably satisfactory to the Issuing Lenders. Each prepayment of the Loans under this Section 2.12 shall be accompanied by accrued interest to the date of such prepayment on the amount prepaid.

(f) The Borrower shall deliver to the Administrative Agent, at the time of each prepayment required under this Section 2.12 (each, a “**Mandatory Prepayment Date**”), a certificate signed by a Responsible Officer of the Borrower setting forth in reasonable detail the calculation of the amount of such prepayment or reduction.

(g) Notwithstanding any other provisions of this Section 2.12, (A) to the extent that any or all of the Net Cash Proceeds of any Asset Sale or Recovery Event by a Foreign Subsidiary giving rise to a prepayment event pursuant to Section 2.12(c) (a “**Foreign Disposition**”), or Excess Cash Flow are prohibited or delayed by applicable local law from being repatriated to the United States, the portion of such Net Cash Proceeds or Excess Cash Flow so affected will not be required to be applied to repay Loans at the times provided in this Section 2.11 but may be retained by the applicable Foreign Subsidiary so long, but only so long, as the applicable local law will not permit repatriation to the United States (the Borrower hereby agreeing to cause the applicable Foreign Subsidiary to promptly take all actions reasonably required by the applicable local law to permit such repatriation), and once such repatriation of any of such affected Net Cash Proceeds or Excess Cash Flow is permitted under the applicable local law, such repatriation will be immediately effected and such repatriated Net Cash Proceeds or Excess Cash Flow will be promptly (and in any event not later than two (2) Business Days after such repatriation) applied (net of additional taxes payable or reserved against as a result thereof) to the repayment of the Loans pursuant to this Section 2.12 to the extent provided herein and (B) to the extent that the Borrower has determined in good faith that repatriation of any of or all the Net Cash Proceeds of any Foreign Disposition or Excess Cash Flow would have a material adverse tax cost consequence (taking into account any foreign tax credit or benefit actually realized in connection with such repatriation) with respect to such Net Cash Proceeds or Excess Cash Flow, the Net Cash Proceeds or Excess Cash Flow so affected may be retained by the applicable Foreign Subsidiary; provided that, in the case of this clause (B), on or before the date on which any Net Cash Proceeds so retained would otherwise have been required to be applied to reinvestments or prepayments pursuant to this Section 2.12(c) (or such Excess Cash Flow would have been so required if it were Net Cash Proceeds), the Borrower applies an amount equal to such Net Cash Proceeds or Excess Cash Flow to such reinvestments or prepayments as if such Net Cash Proceeds or Excess Cash Flow had been received by the Borrower rather than such Foreign Subsidiary, less the amount of additional taxes that would have been payable or reserved against if such Net Cash Proceeds or Excess Cash Flow had been repatriated (or, if less, the Net Cash Proceeds or Excess Cash Flow that would be calculated if received by such Foreign Subsidiary).

### **2.13 Conversion and Continuation Options.**

(a) The Borrower may elect from time to time to convert Eurodollar Loans to ABR Loans by giving the Administrative Agent prior irrevocable notice in a Notice of Conversion/Continuation of such election no later than 10:00 A.M., Pacific time, on the Business Day preceding the proposed conversion date; provided that any such conversion of

Eurodollar Loans may only be made on the last day of an Interest Period with respect thereto. The Borrower may elect from time to time to convert ABR Loans to Eurodollar Loans by giving the Administrative Agent prior irrevocable notice in a Notice of Conversion/Continuation of such election no later than 10:00 A.M., Pacific time, on the third Business Day preceding the proposed conversion date (which notice shall specify the length of the initial Interest Period therefor); provided that no ABR Loan may be converted into a Eurodollar Loan when any Event of Default has occurred and is continuing. Upon receipt of any such notice, the Administrative Agent shall promptly notify each relevant Lender thereof.

(b) Any Eurodollar Loan may be continued as such upon the expiration of the then current Interest Period with respect thereto by the Borrower giving irrevocable notice in a Notice of Conversion/Continuation to the Administrative Agent, in accordance with the applicable provisions of the term "Interest Period" set forth in Section 1.1, of the length of the next Interest Period to be applicable to such Loans; provided that no Eurodollar Loan may be continued as such when any Event of Default has occurred and is continuing; provided further that if the Borrower shall fail to give any required notice as described above in this paragraph or if such continuation is not permitted pursuant to the preceding proviso, such Loans shall be automatically converted to ABR Loans on the last day of such then expiring Interest Period. Upon receipt of any such notice the Administrative Agent shall promptly notify each relevant Lender thereof.

**2.14 Limitations on Eurodollar Tranches.** Notwithstanding anything to the contrary in this Agreement, all borrowings, conversions and continuations of Eurodollar Loans and all selections of Interest Periods shall be in such amounts and be made pursuant to such elections so that, (a) after giving effect thereto, the aggregate principal amount of the Eurodollar Loans comprising each Eurodollar Tranche shall be equal to, in the case of the Term Loan Facility \$1,000,000 or a whole multiple thereof, and with respect to the Revolving Facility, \$100,000 or a whole multiple thereof, and (b) no more than five Eurodollar Tranches shall be outstanding at any one time.

#### **2.15 Interest Rates and Payment Dates.**

(a) Each Eurodollar Loan shall bear interest for each day during each Interest Period with respect thereto at a rate per annum equal to (i) the Eurodollar Rate determined for such Interest Period plus (ii) the Applicable Margin.

(b) Each ABR Loan shall bear interest at a rate per annum equal to (i) the ABR plus (ii) the Applicable Margin.

(c) During the continuance of an Event of Default, at the direction of the Required Lenders (except that no such direction shall be required in the case of an Event of Default under Section 8.1(a) or (f)), all outstanding Loans shall bear interest at a rate per annum equal to the rate that would otherwise be applicable thereto pursuant to the foregoing provisions of this Section 2.15 plus 2.00% (the "**Default Rate**").

(d) Interest shall be payable in arrears on each Interest Payment Date; provided that interest accruing pursuant to Section 2.15(c) shall be payable from time to time on demand.

## 2.16 Computation of Interest and Fees.

(a) Interest and fees payable pursuant hereto shall be calculated on the basis of a 360-day year for the actual days elapsed, except that, with respect to ABR Loans the rate of interest on which is calculated on the basis of the Prime Rate, the interest thereon shall be calculated on the basis of a 365- (or 366-, as the case may be) day year for the actual days elapsed. The Administrative Agent shall as soon as practicable notify the Borrower and the relevant Lenders of each determination of a Eurodollar Rate. Any change in the interest rate on a Loan resulting from a change in the ABR or the Eurocurrency Reserve Requirements shall become effective as of the opening of business on the day on which such change becomes effective. The Administrative Agent shall as soon as practicable notify the Borrower and the relevant Lenders of the effective date and the amount of each such change in interest rate.

(b) Each determination of an interest rate by the Administrative Agent pursuant to any provision of this Agreement shall be conclusive and binding on the Borrower and the Lenders in the absence of manifest error. The Administrative Agent shall, at the request of the Borrower, deliver to the Borrower a statement showing the quotations used by the Administrative Agent in determining any interest rate pursuant to Section 2.16(a).

**2.17 Inability to Determine Interest Rate.** If prior to the first day of any Interest Period: (a) The Administrative Agent shall have determined (which determination shall be conclusive and binding upon the Borrower) that, by reason of circumstances affecting the relevant market, adequate and reasonable means do not exist for ascertaining the Eurodollar Rate for such Interest Period, or (b) Administrative Agent shall have received notice from the Required Lenders that the Eurodollar Rate determined or to be determined for such Interest Period will not adequately and fairly reflect the cost to such Lenders (as conclusively certified by such Lenders) of making or maintaining their affected Loans during such Interest Period, the Administrative Agent shall give telecopy or telephonic notice thereof to the Borrower and the relevant Lenders as soon as practicable thereafter. If such notice is given (x) any Eurodollar Loans under the relevant Facility requested to be made on the first day of such Interest Period shall be made as ABR Loans, (y) any Loans under the relevant Facility that were to have been converted on the first day of such Interest Period to Eurodollar Loans shall be continued as ABR Loans and (z) any outstanding Eurodollar Loans under the relevant Facility shall be converted, on the last day of the then-current Interest Period, to ABR Loans. Until such notice has been withdrawn by the Administrative Agent, no further Eurodollar Loans under the relevant Facility shall be made or continued as such, nor shall the Borrower have the right to convert Loans under the relevant Facility to Eurodollar Loans.

## 2.18 Pro Rata Treatment and Payments.

(a) Each borrowing by the Borrower from the Lenders hereunder, each payment by the Borrower on account of any commitment fee and any reduction of the Commitments shall be made *pro rata* according to the respective Term Percentages, L/C Percentages or Revolving Percentages, as the case may be, of the relevant Lenders.

(b) Each regularly scheduled payment by the Borrower on account of principal of and interest on the Term Loans shall be made *pro rata* according to the respective outstanding principal amounts of the Term Loans then held by the Term Lenders. Amounts prepaid on account of the Term Loans may not be reborrowed. The amount of each mandatory prepayment of the Term Loans pursuant to Section 2.11 and each prepayment of the Term Loans received in connection with the exercise of the Cure Right in Section 7.1 shall be applied in accordance with Section 2.12(e). The amount of each voluntary principal prepayment of the Term Loans pursuant to Section 2.10 shall be applied *pro rata* according to the respective outstanding principal amounts of the Term Loans then held by the Term Lenders and to the principal installments thereof on a *pro rata* basis until paid in full. Amounts prepaid on account of the Term Loans may not be reborrowed.

(c) Each payment (including each prepayment) by the Borrower on account of principal of and interest on the Revolving Loans shall be made *pro rata* according to the respective outstanding principal amounts of the Revolving Loans then held by the Revolving Lenders.

(d) All payments (including prepayments) to be made by the Borrower hereunder, whether on account of principal, interest, fees or otherwise, shall be made without condition or deduction for any counterclaim, defense, recoupment or setoff and shall be made prior to 10:00 A.M., Pacific time, on the due date thereof to the Administrative Agent, for the account of the Lenders, at the applicable Funding Office, in Dollars and in immediately available funds; provided that receiving such payment after such time on the due date shall not result in any Default or Event of Default. The Administrative Agent shall distribute such payments to the Lenders promptly upon receipt in like funds as received. Any payment received by the Administrative Agent after 10:00 A.M., Pacific time, shall be deemed received on the next succeeding Business Day and any applicable interest or fee shall continue to accrue. If any payment hereunder (other than payments on the Eurodollar Loans) becomes due and payable on a day other than a Business Day, such payment shall be extended to the next succeeding Business Day. If any payment on a Eurodollar Loan becomes due and payable on a day other than a Business Day, the maturity thereof shall be extended to the next succeeding Business Day unless the result of such extension would be to extend such payment into another calendar month, in which event such payment shall be made on the immediately preceding Business Day. In the case of any extension of any payment of principal pursuant to the preceding two sentences, interest thereon shall be payable at the then applicable rate during such extension.

(e) Unless the Administrative Agent shall have been notified in writing by any Lender prior to the date of any borrowing that such Lender will not make the amount that would constitute its share of such borrowing available to the Administrative Agent, the Administrative Agent may assume that such Lender is making such amount available to the Administrative Agent, and the Administrative Agent may, in reliance upon such assumption, make available to the Borrower a corresponding amount. If such amount is not made available to the Administrative Agent by the required time on the Borrowing Date therefor, such Lender shall pay to the Administrative Agent, on demand, such amount with interest thereon, at a rate equal to the greater of (i) the Federal Funds Effective Rate and (ii) a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation, for



the period until such Lender makes such amount immediately available to the Administrative Agent. If such Lender's share of such borrowing is not made available to the Administrative Agent by such Lender within three Business Days after such Borrowing Date, the Administrative Agent shall also be entitled to recover such amount with interest thereon at the rate per annum applicable to ABR Loans under the relevant Facility, on demand, from the Borrower.

**(f)** Unless the Administrative Agent shall have been notified in writing by the Borrower prior to the date of any payment due to be made by the Borrower hereunder that the Borrower will not make such payment to the Administrative Agent, the Administrative Agent may assume that the Borrower is making such payment, and the Administrative Agent may, but shall not be required to, in reliance upon such assumption, make available to the Lenders their respective *pro rata* shares of a corresponding amount. If such payment is not made to the Administrative Agent by the Borrower within three Business Days after such due date, the Administrative Agent shall be entitled to recover, on demand, from each Lender to which any amount which was made available pursuant to the preceding sentence, such amount with interest thereon at the rate per annum equal to the daily average Federal Funds Effective Rate. Nothing herein shall be deemed to limit the rights of Administrative Agent or any Lender against the Borrower.

**(g)** If any Lender makes available to the Administrative Agent funds for any Loan to be made by such Lender as provided in the foregoing provisions of this Section 2, and such funds are not made available to the Borrower by the Administrative Agent because the conditions to the applicable extension of credit set forth in Section 5.1 or Section 5.2 are not satisfied or waived in accordance with the terms hereof, the Administrative Agent shall return such funds (in like funds as received from such Lender) to such Lender, without interest.

**(h)** The obligations of the Lenders hereunder to (i) make Term Loans, (ii) make Revolving Loans, (iii) to fund its participations in L/C Disbursements in accordance with its respective L/C Percentage and (iv) to make payments pursuant to Section 9.7, as applicable, are several and not joint. The failure of any Lender to make any such Loan, to fund any such participation or to make any such payment under Section 9.7 on any date required hereunder shall not relieve any other Lender of its corresponding obligation to do so on such date, and no Lender shall be responsible for the failure of any other Lender to so make its Loan, to purchase its participation or to make its payment under Section 9.7.

**(i)** Nothing herein shall be deemed to obligate any Lender to obtain the funds for any Loan in any particular place or manner or constitute a representation by any Lender that it has obtained or will obtain the funds for any Loan in any particular place or manner.

**(j)** If at any time insufficient funds are received by and available to the Administrative Agent to pay fully all amounts of principal, interest and fees then due hereunder, such funds shall be applied, subject in all respects to any agreement that may exist among the Lenders from time to time: (i) first, toward payment of interest and fees then due hereunder, ratably among the parties entitled thereto in accordance with the amounts of interest and fees then due to such parties, and (ii) second, toward payment of principal then due hereunder, ratably among the parties entitled thereto in accordance with the amounts of principal then due to such parties.

(k) If any Lender shall obtain any payment (whether voluntary, involuntary, through the exercise of any right of set-off, or otherwise) on account of the principal of or interest on any Loan made by it or its participation in the L/C Exposure, as applicable (other than pursuant to a provision hereof providing for non-pro rata treatment), in excess of its Term Percentage, Revolving Percentage or L/C Percentage, as applicable, of such payment on account of the Loans or participations obtained by all of the Lenders, such Lender shall forthwith advise the Administrative Agent of the receipt of such payment, and within five (5) Business Days of such receipt purchase (for cash at face value) from the other Term Lenders, Revolving Lenders or L/C Lenders, as applicable (through the Administrative Agent), without recourse, such participations in the Term Loans or Revolving Loans made by them and/or participations in the L/C Exposure held by them, as applicable, as shall be necessary to cause such purchasing Lender to share the excess payment ratably with each of them in accordance with their respective Term Percentages, Revolving Percentages or L/C Percentages, as applicable; provided, however, that if all or any portion of such excess payment is thereafter recovered by or on behalf of the Borrower from such purchasing Lender, the purchase shall be rescinded and the purchase price restored to the extent of such recovery, but without interest. The Borrower agrees that any Lender so purchasing a participation from another Lender pursuant to this Section 2.18(k) may exercise all its rights of payment (including the right of set-off) with respect to such participation as fully as if such Lender were the direct creditor of the Borrower in the amount of such participation. No documentation other than notices and the like referred to in this Section 2.18(k) shall be required to implement the terms of this Section 2.18(k). The Administrative Agent shall keep records (which shall be conclusive and binding in the absence of manifest error) of participations purchased pursuant to this Section 2.18(k) and shall in each case notify the Term Lenders, the Revolving Lenders or the L/C Lenders, as applicable, following any such purchase. The provisions of this Section 2.18(k) shall not be construed to apply to (i) any payment made by or on behalf of the Borrower pursuant to and in accordance with the express terms of this Agreement (including the application of funds arising from the existence of a Defaulting Lender), (ii) the application of Cash Collateral provided for in Section 3.10, or (iii) any payment obtained by a Lender as consideration for the assignment of or sale of a participation in any of its Loans or sub-participations in any L/C Exposure to any assignee or participant, other than an assignment to the Borrower or any Subsidiary thereof (as to which the provisions of this Section shall apply). For the avoidance of doubt, no amounts received by the Administrative Agent or any Lender from any Guarantor that is not a Qualified ECP Guarantor shall be applied in partial or complete satisfaction of any Excluded Swap Obligations.

(l) Notwithstanding anything to the contrary in this Agreement, the Administrative Agent may, in its discretion at any time or from time to time, without the Borrower's request and even if the conditions set forth in Section 5.2 would not be satisfied, make a Revolving Loan in an amount equal to the portion of the Obligations constituting interest and fees from time to time due and payable to itself, any Revolving Lender or the Issuing Lender, and apply the proceeds of any such Revolving Loan to those Obligations; provided that after giving effect to any such Revolving Loan, the aggregate outstanding Revolving Loans will not exceed the Total Revolving Commitments then in effect.

**(m)** If an Event of Default shall have occurred and be continuing, subject in all respects to any agreement that may exist among the Lenders from time to time, (i) at any time at the Administrative Agent's or Required Lenders' election, or (ii) upon the acceleration of the Obligations or other exercise of remedies in accordance with Section 8.2 hereof or the maturity of the Loans, the Administrative Agent shall apply any payments received in respect of the Obligations and all or any part of any Proceeds of Collateral, in payment of the Obligations in accordance with Section 8.3 hereof.

#### **2.19 Illegality; Requirements of Law.**

**(a) Illegality.** If any Lender determines that any Requirement of Law has made it unlawful, or that any Governmental Authority has asserted that it is unlawful, for such Lender to make, maintain or fund Eurodollar Loans, or to determine or charge interest rates based upon the Eurodollar Rate, or any Governmental Authority has imposed material restrictions on the authority of such Lender to purchase or sell, or to take deposits of, Dollars in the London interbank market, then, on notice thereof by such Lender to the Borrower through the Administrative Agent, any obligation of such Lender to make or continue Eurodollar Loans or to convert ABR Loans to Eurodollar Loans shall be suspended until such Lender notifies the Administrative Agent and the Borrower that the circumstances giving rise to such determination no longer exist. Upon receipt of such notice, the Borrower shall, upon demand from such Lender (with a copy to the Administrative Agent), prepay or, if applicable, convert all Eurodollar Loans of such Lender to ABR Loans, either on the last day of the Interest Period therefor, if such Lender may lawfully continue to maintain such Eurodollar Loans to such day, or immediately, if such Lender may not lawfully continue to maintain such Eurodollar Loans. Upon any such prepayment or conversion, the Borrower shall also pay accrued interest on the amount so prepaid or converted.

**(b) Requirements of Law.** If the adoption of or any change in any Requirement of Law or in the interpretation, administration, implementation or application thereof by any Governmental Authority, or the making or issuance of any request, rule, guideline or directive (whether or not having the force of law) by any Governmental Authority made subsequent to the date hereof:

**(i)** shall subject any Recipient to any Taxes (other than (A) Indemnified Taxes, (B) Excluded Taxes described in clause (b) through (d) of the definition thereof, and (C) Connection Income Taxes) on its Loans, loan principal, letters of credit, commitments, or other obligations, or its deposits, reserves, other liabilities or capital attributable thereto;

**(ii)** shall impose, modify or deem applicable any reserve, special deposit, compulsory loan, insurance charge or similar requirement against assets of, deposits with or for the account of or credit extended or participated in by, any Lender (except any reserve requirement reflected in the Eurodollar Rate); or

**(iii)** impose on any Lender or the London interbank market any other condition, cost or expense (other than Taxes) affecting this Agreement or Loans made by such Lender or any Letter of Credit or participation therein;

and the result of any of the foregoing shall be to increase the cost to such Lender or such other Recipient of making, converting to, continuing or maintaining Loans determined with reference to the Eurodollar Rate or of maintaining its obligation to make such Loans, or to increase the cost to such Lender or such other Recipient of issuing, maintaining or participating in Letters of Credit (or maintaining its obligation to participate in or to issue any Letter of Credit), or to reduce any amount receivable or received by such Lender or other Recipient hereunder in respect thereof (whether in respect of principal, interest or any other amount), then, in any such case, upon the request of such Lender or other Recipient, the Borrower shall promptly pay such Lender or other Recipient, as the case may be, any additional amounts necessary to compensate such Lender or other Recipient, as the case may be, for such increased cost or reduced amount receivable. If any Lender becomes entitled to claim any additional amounts pursuant to this paragraph, it shall promptly notify the Borrower (with a copy to the Administrative Agent) of the event by reason of which it has become so entitled.

(c) If any Lender determines that any change in any Requirement of Law affecting such Lender or any lending office of such Lender or such Lender's holding company, if any, regarding capital or liquidity requirements, has or would have the effect of reducing the rate of return on such Lender's capital or on the capital of such Lender's holding company, if any, as a consequence of this Agreement, the Commitments of such Lender or the Loans made by, or participations in Letters of Credit held by, such Lender, or the Letters of Credit issued by the Issuing Lender, to a level below that which such Lender or such Lender's holding company could have achieved but for such change in such Requirement of Law (taking into consideration such Lender's policies and the policies of such Lender's holding company with respect to capital adequacy), then from time to time the Borrower will pay to such Lender or the Issuing Lender, as the case may be, such additional amount or amounts as will compensate such Lender or the Issuing Lender or such Lender's or Issuing Lender's holding company for any such reduction suffered.

(d) For purposes of this Agreement, (i) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines, or directives thereunder or issued in connection therewith, and (ii) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed to be a change in any Requirement of Law, regardless of the date enacted, adopted or issued.

(e) A certificate as to any additional amounts payable pursuant to paragraphs (b), (c), or (d) of this Section submitted by any Lender to the Borrower (with a copy to the Administrative Agent) shall be conclusive in the absence of manifest error. The Borrower shall pay such Lender the amount shown as due on any such certificate within 10 days after receipt thereof. Failure or delay on the part of any Lender to demand compensation pursuant to this Section shall not constitute a waiver of such Lender's right to demand such compensation. Notwithstanding anything to the contrary in this Section 2.19, the Borrower shall not be required to compensate a Lender pursuant to this Section 2.19 for any amounts incurred more than nine months prior to the date that such Lender notifies the Borrower of such Lender's intention to claim compensation therefor; provided that if the circumstances giving rise to such claim have a retroactive effect, then such nine-month period shall be extended to include the period of such retroactive effect. The obligations of the Borrower arising pursuant to this Section 2.19 shall survive the termination of the Commitments, the termination of this Agreement, the repayment of all Obligations and the resignation of the Administrative Agent.

## 2.20 Taxes.

(a) Payments Free of Taxes. Any and all payments by or on account of any obligation of any Loan Party under any Loan Document shall be made without deduction or withholding for any Taxes, except as required by applicable law and the Borrower shall, and shall cause each other Loan Party, to comply with the requirements set forth in this Section 2.20. If any applicable law (as determined in the good faith discretion of an applicable Withholding Agent) requires the deduction or withholding of any Tax from any such payment by a Withholding Agent, then the applicable Withholding Agent shall be entitled to make such deduction or withholding and shall timely pay the full amount deducted or withheld to the relevant Governmental Authority in accordance with applicable law and, if such Tax is an Indemnified Tax, then the sum payable by the applicable Loan Party shall be increased as necessary so that after such deduction or withholding has been made (including such deductions and withholdings applicable to additional sums payable under this Section 2.20) the applicable Recipient receives an amount equal to the sum it would have received had no such deduction or withholding been made. The Borrower shall promptly upon becoming aware that a Loan Party must make a UK Tax Deduction (or that there is any change in the rate or basis of a UK Tax Deduction) notify the Administrative Agent accordingly. A Lender or Issuing Lender shall notify the Administrative Agent upon a change in respect of a payment payable to such Lender or Issuing Lender. If the Administrative Agent receives such notification from a Lender or Issuing Lender it shall notify the Borrower.

(b) Payment of Other Taxes. The Loan Parties shall timely pay to the relevant Governmental Authority in accordance with applicable law, or at the option of the Administrative Agent timely reimburse it for the payment of, any Other Taxes.

(c) Evidence of Payments. As soon as practicable after any payment of Taxes by any Loan Party to a Governmental Authority pursuant to this Section 2.20, such Loan Party shall deliver to the Administrative Agent the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Administrative Agent.

(d) Indemnification by Loan Parties. The Loan Parties shall jointly and severally indemnify each Recipient, within 10 days after demand therefor, for the full amount of any Indemnified Taxes (including Indemnified Taxes imposed or asserted on or attributable to amounts payable under this Section 2.20) payable or paid by such Recipient or required to be withheld or deducted from a payment to such Recipient and any reasonable expenses arising therefrom or with respect thereto (including any recording and filing fees with respect thereto or resulting therefrom and any liabilities with respect to, or resulting from, any delay in paying such Indemnified Taxes), whether or not such Indemnified Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to the Borrower by a Lender (with a copy to the

Administrative Agent), or by the Administrative Agent on its own behalf or on behalf of a Lender, shall be conclusive absent manifest error. If any Loan Party fails to pay any Taxes when due to the appropriate taxing authority or fails to remit to the Administrative Agent the required receipts or other required documentary evidence, such Loan Party shall indemnify the Administrative Agent and the Lenders for any incremental taxes, interest or penalties that may become payable by the Administrative Agent or any Lender as a result of any such failure.

**(e) Indemnification by Lenders.** Each Lender shall severally indemnify the Administrative Agent, within 10 days after demand therefor, for (i) any Indemnified Taxes attributable to such Lender (but only to the extent that any Loan Party has not already indemnified the Administrative Agent for such Indemnified Taxes and without limiting the obligation of the Loan Parties to do so), (ii) any Taxes attributable to such Lender's failure to comply with the provisions of Section 10.6 relating to the maintenance of a Participant Register and (iii) any Excluded Taxes attributable to such Lender, in each case, that are payable or paid by the Administrative Agent in connection with any Loan Document, and any reasonable expenses arising therefrom or with respect thereto, whether or not such charges were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to any Lender by the Administrative Agent shall be conclusive absent manifest error. Each Lender hereby authorizes the Administrative Agent to set off and apply any and all amounts at any time owing to such Lender under any Loan Document or otherwise payable by the Administrative Agent to the Lender from any other source against any amount due to the Administrative Agent under this paragraph (e).

**(f) Status of Lenders.**

**(i)** Any Recipient that is entitled to an exemption from or reduction of withholding Tax with respect to payments made under any Loan Document shall deliver to the Borrower and the Administrative Agent, at the time or times reasonably requested by the Borrower or the Administrative Agent, such properly completed and executed documentation reasonably requested by the Borrower or the Administrative Agent as will permit such payments to be made without withholding or at a reduced rate of withholding. In addition, any Recipient, if reasonably requested by the Borrower or the Administrative Agent, shall deliver such other documentation prescribed by applicable law or reasonably requested by the Borrower or the Administrative Agent as will enable the Borrower or the Administrative Agent to determine whether or not such Recipient is subject to backup withholding or information reporting requirements. Notwithstanding anything to the contrary in the preceding two sentences, the completion, execution and submission of such documentation (other than such documentation set forth in Sections 2.20(f)(i)(A), (i)(B) and (i)(D) below) shall not be required if the Recipient is not legally entitled to complete, execute or deliver such documentation or, in the Recipient's reasonable judgment, such completion, execution or submission would subject such Recipient to any material unreimbursed cost or expense or would materially prejudice the legal or commercial position of such Recipient.

(ii) Without limiting the generality of the foregoing,

(A) any Recipient that is a U.S. Person shall deliver to the Administrative Agent on or prior to the date on which such Recipient becomes a Recipient under this Agreement (and from time to time thereafter upon the reasonable request of the Administrative Agent), executed copies of IRS Form W-9 certifying that such Lender is exempt from U.S. federal backup withholding tax;

(B) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Recipient under this Agreement (and from time to time thereafter upon the reasonable request of the Administrative Agent), whichever of the following is applicable:

(1) in the case of a Foreign Lender claiming the benefits of an income tax treaty to which the United States is a party (x) with respect to payments of interest under any Loan Document, executed copies of IRS Form W-8BEN or IRS Form W-8BEN-E, as applicable (or any successor form) establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the “interest” article of such tax treaty and (y) with respect to any other applicable payments under any Loan Document, IRS Form W-8BEN or IRS Form W-8BEN-E, as applicable (or any successor form) establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the “business profits” or “other income” article of such tax treaty;

(2) executed copies of IRS Form W-8ECI;

(3) in the case of a Foreign Lender claiming the benefits of the exemption for portfolio interest under Section 881(c) of the Code, (x) a certificate substantially in the form of Exhibit F-1 to the effect that such Foreign Lender is not a “bank” within the meaning of Section 881(c)(3)(A) of the Code, a “10 percent shareholder” of the Borrower within the meaning of Section 881(c)(3)(B) of the Code, or a “controlled foreign corporation” described in Section 881(c)(3)(C) of the Code (a “**U.S. Tax Compliance Certificate**”) and (y) executed copies of IRS Form W-8BEN or IRS Form W-8BEN-E, as applicable (or any successor form); or

(4) to the extent a Foreign Lender is not the beneficial owner, executed copies of IRS Form W-8IMY, accompanied by IRS Form W-8ECI, IRS Form W-8BEN or IRS Form W-8BEN-E, as applicable (or any successor form), a U.S. Tax Compliance Certificate substantially in the form of Exhibit F-2 or Exhibit F-3, IRS Form W-9, and/or other certification documents from each beneficial owner, as applicable; provided that if the Foreign Lender is a partnership and one or more direct or indirect partners of such Foreign Lender are claiming the portfolio interest exemption, such Foreign Lender may provide a U.S. Tax Compliance Certificate substantially in the form of Exhibit F-4 on behalf of each such direct and indirect partner;

(C) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the Borrower and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Recipient under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), executed copies of any other form prescribed by applicable law as a basis for claiming exemption from or a reduction in U.S. federal withholding Tax, duly completed, together with such supplementary documentation as may be prescribed by applicable law to permit the Borrower or the Administrative Agent to determine the withholding or deduction required to be made; and

**(D)** if a payment made to a Recipient under any Loan Document would be subject to U.S. federal withholding Tax imposed by FATCA if such Recipient were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Code, as applicable), such Recipient shall deliver to the Borrower and the Administrative Agent at the time or times prescribed by law and at such time or times reasonably requested by the Borrower or the Administrative Agent such documentation prescribed by applicable law (including as prescribed by Section 1471(b)(3)(C)(i) of the Code) and such additional documentation reasonably requested by the Borrower or the Administrative Agent as may be necessary for the Borrower and the Administrative Agent to comply with their obligations under FATCA and to determine that such Recipient has complied with such Recipient's obligations under FATCA or to determine the amount to deduct and withhold from such payment. Solely for purposes of this clause (D), "FATCA" shall include any amendments made to FATCA after the date of this Agreement.

**(iii)** Each Recipient agrees that if any form or certification it previously delivered expires or becomes obsolete or inaccurate in any respect, it shall update such form or certification or promptly notify the Borrower and the Administrative Agent in writing of its legal inability to do so. Each Foreign Lender shall promptly notify the Borrower at any time it determines that it is no longer in a position to provide any previously delivered certificate to the Borrower (or any other form of certification adopted by the U.S. taxing authorities for such purpose). Notwithstanding any other provision of this paragraph, a Foreign Lender shall not be required to deliver any form pursuant to this paragraph that such Foreign Lender is not legally able to deliver.

**(iv)** The Loan Parties shall use commercially reasonable efforts to cooperate in completing any procedural formalities necessary for it to obtain authorization to make payments of interest under this Agreement or any Loan Document without a UK Tax Deduction, including, where the Lender has confirmed its scheme reference number and jurisdiction of tax residence under the HM Revenue and Customs double tax treaty passport scheme, filing an HM Revenue and Customs Form DTTP2 promptly upon such Lenders request.

**(g) Treatment of Certain Refunds.** If any party determines, in its sole discretion exercised in good faith, that it has received a refund of any Taxes as to which it has been indemnified pursuant to this [Section 2.20](#) (including by the payment of additional amounts pursuant to this [Section 2.20](#)), it shall pay to the indemnifying party an amount equal to such refund (but only to the extent of indemnity payments made under this [Section 2.20](#) with respect to the Taxes giving rise to such refund), net of all reasonable out-of-pocket expenses (including Taxes) of such indemnified party and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund). Such indemnifying party, upon the request of such indemnified party, shall repay to such indemnified party the amount paid over pursuant to this paragraph (g) (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) in the event that such indemnified party is required to repay



such refund to such Governmental Authority. Notwithstanding anything to the contrary in this paragraph (g), in no event will the indemnified party be required to pay any amount to an indemnifying party pursuant to this paragraph (g) the payment of which would place the indemnified party in a less favorable net after-Tax position than the indemnified party would have been in if the indemnification payments or additional amounts giving rise to such refund had never been paid. This paragraph shall not be construed to require any indemnified party to make available its Tax returns (or any other information relating to its Taxes that it reasonably deems confidential) to the indemnifying party or any other Person.

**(h) Survival.** Each party's obligations under this Section 2.20 shall survive the resignation or replacement of the Administrative Agent or any assignment of rights by, or the replacement of, a Lender, the termination of the Commitments, the termination of this Agreement and the repayment, satisfaction or discharge of all obligations under any Loan Document.

**(i) HMRC DT Treaty Passport Scheme.**

**(i)** Each Lender which becomes a party to this Agreement on the day on which this Agreement is entered into that holds a passport under the HMRC DT Treaty Passport scheme, and which wishes that scheme to apply to this Agreement, shall confirm its scheme reference number and its jurisdiction of tax residence to the Borrower in writing on or before the date of this Agreement; and

**(ii)** Each Lender that is not a party to this Agreement on the date on which this Agreement is entered into that holds a passport under the HMRC DT Treaty Passport scheme, and which wishes that scheme to apply to this Agreement, shall confirm its scheme reference number and its jurisdiction of tax residence in the transfer document which it executes, as applicable and,

having done so, that Lender shall be under no obligation pursuant to Section 2.20(f)(i),(ii) or (iv) in respect of U.K. withholding tax matters.

**(j)** If a Lender has confirmed its scheme reference number and its jurisdiction of tax residence in accordance with Section 2.20(i) and the Borrower making a payment to that Lender has made a Borrower DTTP Filing in respect of that Lender but (i) that Borrower DTTP Filing has been rejected by HM Revenue & Customs; or (ii) HM Revenue & Customs has not given the Borrower authority to make payments to that Lender without a UK Tax Deduction within 60 days of the date of the Borrower DTTP Filing, and in the case of each of (i) and (ii), the Borrower has notified that Lender in writing, that Lender and the Borrower shall co-operate in completing any additional procedural formalities necessary for the Borrower to obtain authorisation to make that payment without a UK Tax Deduction.

**(k)** If a Lender has not confirmed its scheme reference number and jurisdiction of tax residence in accordance with Section 2.20(i) above, the Borrower shall not make a Borrower DTTP Filing or file any form relating to HMRC DT Treaty Passport scheme in respect of that Lender's Commitment or its participation in any Loan unless the Lender otherwise agrees.

(l) The Borrower shall promptly on making a Borrower DTTP Filing, deliver a copy of that Borrower DTTP Filing to the Administrative Agent for delivery to the relevant Lender.

(m) Each Lender which becomes a party to this Agreement after the date of this Agreement shall indicate, in the relevant transfer documents upon becoming a Lender, for the benefit of the Administrative Agent and without liability to any Loan Party, which of the following categories it falls in (in relation to the Borrower): (A) not a U.K. Qualifying Lender; (B) a U.K. Qualifying Lender (other than a U.K. Treaty Lender); or (C) a U.K. Treaty Lender. If a Lender fails to indicate its status in accordance with this Section 2.20(m) then such Lender shall be treated for the purposes of this Agreement (including by the Borrower) as if it not a UK Qualifying Lender until such time as it notifies the Borrower which category applies.

**2.21 Indemnity.** The Borrower agrees to indemnify each Lender for, and to hold each Lender harmless from, any loss or expense that such Lender may sustain or incur as a consequence of (a) a default by the Borrower in making a borrowing of, conversion into or continuation of Eurodollar Loans after the Borrower has given a notice requesting the same in accordance with the provisions of this Agreement, (b) a default by the Borrower in making any prepayment of or conversion from Eurodollar Loans after the Borrower has given a notice thereof in accordance with the provisions of this Agreement, or (c) for any reason, the making of a prepayment of Eurodollar Loans on a day that is not the last day of an Interest Period with respect thereto. Such losses and expenses shall be equal to the excess, if any, of (i) the amount of interest that would have accrued on the amount so prepaid, or not so borrowed, reduced, converted or continued, for the period from the date of such prepayment or of such failure to borrow, reduce, convert or continue to the last day of such Interest Period (or, in the case of a failure to borrow, reduce, convert or continue, the Interest Period that would have commenced on the date of such failure) in each case at the applicable rate of interest or other return for such Loans provided for herein (excluding, however, the Applicable Margin included therein, if any), over (ii) the amount of interest (as reasonably determined by such Lender) that would have accrued to such Lender on such amount by placing such amount on deposit for a comparable period with leading banks in the interbank eurodollar market. A certificate as to any amounts payable pursuant to this Section 2.21 submitted to the Borrower by any Lender shall be conclusive in the absence of manifest error. This covenant shall survive the termination of this Agreement and the payment of the Loans and all other amounts payable hereunder. The Borrower hereby agrees to pay all reasonable out-of-pocket costs and expenses incurred by any Lender in connection with any such designation or assignment.

**2.22 Change of Lending Office.** Each Lender agrees that, upon the occurrence of any event giving rise to the operation of Section 2.19(b), Section 2.19(c) or Section 2.20(a) with respect to such Lender, it will, if requested by the Borrower, use reasonable efforts (subject to overall policy considerations of such Lender) to designate another lending office for any Loans affected by such event with the object of avoiding the consequences of such event; provided that such designation is made on terms that, in the sole judgment of such Lender, cause such Lender and its lending office(s) to suffer no economic, legal or regulatory disadvantage; provided further that nothing in this Section 2.22 shall affect or postpone any of the obligations of the Borrower or the rights of any Lender pursuant to Section 2.19(b), Section 2.19(c) or Section 2.20(a).

**2.23 Substitution of Lenders.** Upon the receipt by the Borrower of any of the following (or in the case of clause (a) below, if the Borrower is required to pay any such amount), with respect to any Lender (any such Lender described in clauses (a) through (c) below being referred to as an “**Affected Lender**” hereunder):

(a) a request from a Lender for payment of Indemnified Taxes or additional amounts under Section 2.20 or of increased costs pursuant to Section 2.19(c) or Section 2.19(d) (and, in any such case, such Lender has declined or is unable to designate a different lending office in accordance with Section 2.22 or is a Non-Consenting Lender);

(b) a notice from the Administrative Agent under Section 10.1(b) that one or more Minority Lenders are unwilling to agree to an amendment or other modification approved by the Required Lenders and the Administrative Agent; or

(c) notice from the Administrative Agent that a Lender is a Defaulting Lender; then the Borrower may, at its sole expense and effort, within 15 days after the occurrence of such event or receipt by the Borrower of such notice and demand, upon notice to the Administrative Agent and such Affected Lender: (i) request that one or more of the other Lenders acquire and assume (at the election of such other Lenders in their sole discretion, with no obligation to do the same) all or part of such Affected Lender’s Loans and Commitment; or (ii) designate a replacement lending institution (which shall be an Eligible Assignee) to acquire and assume all or a ratable part of such Affected Lender’s Loans and Commitment (the replacing Lender or lender in (i) or (ii) being a “**Replacement Lender**”); provided, however, that the Borrower shall be liable for the payment upon demand of all costs and other amounts arising under Section 2.21 that result from the acquisition of any Affected Lender’s Loan and/or Commitment (or any portion thereof) by a Lender or Replacement Lender, as the case may be, on a date other than the last day of the applicable Interest Period with respect to any Eurodollar Loans then outstanding; and provided further, however, that if the Borrower elects to exercise such right with respect to any Affected Lender under clause (a) or (b) of this Section 2.23, then the Borrower shall be obligated to replace all Affected Lenders under such clauses. The Affected Lender replaced pursuant to this Section 2.23 shall be required to assign and delegate, without recourse, all of its interests, rights and obligations under this Agreement and the related Loan Documents to one or more Replacement Lenders that so agree to acquire and assume all or a ratable part of such Affected Lender’s Loans and Commitment upon payment to such Affected Lender of an amount (in the aggregate for all Replacement Lenders) equal to 100% of the outstanding principal of the Affected Lender’s Loans, accrued interest thereon, accrued fees, prepayment premium (if applicable) (which shall be deemed to be due and owing if such assignment occurs at a time when the provisions of Section 2.24 remain in effect and solely in connection with the replacement of an Affected Lender as result of a circumstance described in clause (b) of this Section 2.23) and all other amounts payable to it hereunder and under the other Loan Documents from such Replacement Lenders (to the extent of such outstanding principal and accrued interest and fees) or the Borrower (in the case of all other amounts, including amounts under Section 2.21 hereof). Any such designation of a Replacement Lender shall be effected in accordance with, and subject to the terms and conditions of, the assignment provisions contained in Section 10.6 (with the assignment fee to be paid by the Borrower in such instance), and, if such Replacement Lender is not already a Lender hereunder or an Affiliate of a Lender or an Approved Fund, shall be subject to the prior written consent of the

Administrative Agent (which consent shall not be unreasonably withheld). Notwithstanding the foregoing, with respect to any assignment pursuant to this Section 2.23, (a) in the case of any such assignment resulting from a claim for compensation under Section 2.19 or payments required to be made pursuant to Section 2.20, such assignment shall result in a reduction in such compensation or payments thereafter; (b) such assignment shall not conflict with applicable law and (c) in the case of any assignment resulting from a Lender being a Minority Lender referred to in clause (b) of this Section 2.23, the applicable assignee shall have consented to the applicable amendment, waiver or consent. Notwithstanding the foregoing, an Affected Lender shall not be required to make any such assignment or delegation if, prior thereto, as a result of a waiver by such Affected Lender or otherwise, the circumstances entitling the Borrower to require such assignment and delegation cease to apply.

#### **2.24 Defaulting Lenders.**

(a) Adjustments. Notwithstanding anything to the contrary contained in this Agreement, if any Lender becomes a Defaulting Lender, then, until such time as such Lender is no longer a Defaulting Lender, to the extent permitted by applicable law:

(i) Waivers and Amendments. Such Defaulting Lender's right to approve or disapprove any amendment, waiver or consent with respect to this Agreement shall be restricted as set forth in Section 10.1 and in the definitions of Majority Revolving Lenders, Majority Term Lenders and Required Lenders.

(ii) Defaulting Lender Waterfall. Any payment of principal, interest, fees or other amounts received by the Administrative Agent for the account of such Defaulting Lender (whether voluntary or mandatory, at maturity, pursuant to Section 8 or otherwise, and including any amounts made available to the Administrative Agent by such Defaulting Lender pursuant to Section 10.7), shall be applied at such time or times as may be determined by the Administrative Agent as follows, subject in all respects to any agreement that may exist among the Lenders from time to time: first, to the payment of any amounts owing by such Defaulting Lender to the Administrative Agent hereunder; second, to the payment on a *pro rata* basis of any amounts owing by such Defaulting Lender to the Issuing Lender; third, to be held as Cash Collateral for the funding obligations of such Defaulting Lender of any participation in any Letter of Credit; fourth, as the Borrower may request (so long as no Default or Event of Default exists), to the funding of any Loan in respect of which such Defaulting Lender has failed to fund its portion thereof as required by this Agreement, as determined by the Administrative Agent; fifth, if so determined by the Administrative Agent and the Borrower, to be held in a deposit account and released *pro rata* in order to (x) satisfy such Defaulting Lender's potential future funding obligations with respect to Loans under this Agreement, and (y) be held as Cash Collateral for the future funding obligations of such Defaulting Lender of any participation in any future Letter of Credit; sixth, to the payment of any amounts owing to any L/C Lender or Issuing Lender as a result of any judgment of a court of competent jurisdiction obtained by any L/C Lender or Issuing Lender against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under this Agreement; seventh, so long as no Default or Event of Default has occurred and is continuing, to the payment of any amounts owing to the Borrower as a result of any judgment of a court of competent jurisdiction obtained by the Borrower against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under

this Agreement; and eighth, to such Defaulting Lender or as otherwise directed by a court of competent jurisdiction; provided that if (A) such payment is a payment of the principal amount of any Loans or L/C Advances in respect of which such Defaulting Lender has not fully funded its appropriate share and (B) such Loans or L/C Advances were made at a time when the conditions set forth in Section 5.2 were satisfied or waived, such payment shall be applied solely to pay the Loans of, and L/C Advances owed to, all Non-Defaulting Lenders on a *pro rata* basis prior to being applied to the payment of any Loans of, or L/C Advances owed to, such Defaulting Lender until such time as all Loans and funded and unfunded participations in L/C Advances are held by the Lenders pro rata in accordance with the Commitments under the applicable Facility without giving effect to Section 2.24(a)(iv). Any payments, prepayments or other amounts paid or payable to a Defaulting Lender that are applied (or held) to pay amounts owed by a Defaulting Lender or to post Cash Collateral pursuant to this Section 2.24(a)(ii) shall be deemed paid to and redirected by such Defaulting Lender, and each Lender irrevocably consents hereto.

**(iii) Certain Fees.**

- (A) No Defaulting Lender shall be entitled to receive any fee pursuant to Section 2.9(b) for any period during which such Lender is a Defaulting Lender (and the Borrower shall not be required to pay any such fee that otherwise would have been required to have been paid to such Defaulting Lender).
- (B) Each Defaulting Lender shall be limited in its right to receive letter of credit fees as provided in Section 3.3(d).
- (C) With respect to any letter of credit fee not required to be paid to any Defaulting Lender pursuant to clause (A) or (B) above, the Borrower shall (x) pay to each Non-Defaulting Lender that portion of any such fee otherwise payable to such Defaulting Lender with respect to such Defaulting Lender's participation in Letters of Credit that has been reallocated to such Non-Defaulting Lender pursuant to clause (iv) below, (y) pay to the Issuing Lender the amount of any such fee otherwise payable to such Defaulting Lender to the extent allocable to the Issuing Lender's Fronting Exposure to such Defaulting Lender, and (z) not be required to pay the remaining amount of any such fee.

**(iv) Reallocation of Pro Rata Share to Reduce Fronting Exposure.** During any period in which there is a Defaulting Lender, for purposes of computing the amount of the obligation of each Non-Defaulting Lender to acquire, refinance or fund participations in Letters of Credit pursuant to Section 3.4, the L/C Percentage of each Non-Defaulting Lender of any such Letter of Credit shall be computed without giving effect to the Revolving Commitment of such Defaulting Lender; provided that, (A) each such reallocation shall be given effect only if, at the date the applicable Lender becomes a Defaulting Lender, no Event of Default has occurred and is continuing; (B) the aggregate obligations of each Non-Defaulting Lender to acquire, refinance or fund participations in Letters of Credit shall not exceed the positive difference, if

any, of (1) the Revolving Commitment of that Non-Defaulting Lender minus (2) the aggregate outstanding amount of the Revolving Loans of that Lender plus the aggregate amount of that Lender's L/C Percentage of then outstanding Letters of Credit and (C) the conditions set forth in Section 5.2 are satisfied at the time of such reallocation (and, unless the Borrower shall have otherwise notified the Administrative Agent at such time, the Borrower shall be deemed to have represented and warranted that such conditions are satisfied at such time). Subject to Section 10.22, no reallocation hereunder shall constitute a waiver or release of any claim of any party hereunder against a Defaulting Lender arising from that Lender having become a Defaulting Lender, including any claim of a Non-Defaulting Lender as a result of such Non-Defaulting Lender's increased exposure following such reallocation.

(v) Cash Collateral. If the reallocation described in clause (iv) above cannot, or can only partially, be effected, the Borrower shall, without prejudice to any right or remedy available to it hereunder or under law Cash Collateralize the Issuing Lender's Fronting Exposure in accordance with the procedures set forth in Section 3.10.

(b) Defaulting Lender Cure. If the Borrower, the Administrative Agent and the Issuing Lender agree in writing in their sole discretion that a Defaulting Lender should no longer be deemed to be a Defaulting Lender, the Administrative Agent will so notify the parties hereto, whereupon as of the effective date specified in such notice and subject to any conditions set forth therein (which may include arrangements with respect to any Cash Collateral), such Lender will, to the extent applicable, purchase at par that portion of outstanding Loans of the other Lenders or take such other actions as the Administrative Agent may determine to be necessary to cause the Loans and funded and unfunded participations in Letters of Credit to be held on a *pro rata* basis by the Lenders in accordance with their respective Revolving Percentages, L/C Percentages, Term Percentages, as applicable (without giving effect to Section 2.24(a)(iv)), whereupon such Lender will cease to be a Defaulting Lender; provided that no adjustments will be made retroactively with respect to fees accrued or payments made by or on behalf of the Borrower while such Lender was a Defaulting Lender; and provided, further, that except to the extent otherwise expressly agreed by the affected parties, no change hereunder from Defaulting Lender to Lender will constitute a waiver or release of any claim of any party hereunder arising from such Lender having been a Defaulting Lender.

(c) New Letters of Credit. So long as any Lender is a Defaulting Lender, no Issuing Lender shall be required to issue, extend, renew or increase any Letter of Credit unless it is satisfied that it will have no Fronting Exposure after giving effect thereto.

(d) Termination of Defaulting Lender. The Borrower may terminate the unused amount of the Commitment of any Revolving Lender that is a Defaulting Lender upon not less than ten Business Days' prior notice to the Administrative Agent (which shall promptly notify the Lenders thereof), and in such event the provisions of Section 2.24(a)(ii) will apply to all amounts thereafter paid by the Borrower for the account of such Defaulting Lender under this Agreement (whether on account of principal, interest, fees, indemnity or other amounts); provided that (i) no Event of Default shall have occurred and be continuing, and (ii) such termination shall not be deemed to be a waiver or release of any claim the Borrower, the Administrative Agent, the Issuing Lender or any other Lender may have against such Defaulting Lender.

**2.25 Notes.** If so requested by any Lender by written notice to the Borrower (with a copy to the Administrative Agent), the Borrower shall execute and deliver to such Lender (and/or, if applicable and if so specified in such notice, to any Person who is an assignee of such Lender pursuant to Section 10.6) (promptly after the Borrower's receipt of such notice) a Note or Notes to evidence such Lender's Loans.

**2.26 Increase in Commitments.**

(a) At any time during the period from and after the Closing Date through the date that is the fourth year anniversary of the Closing Date, at the option of the Borrower with the prior written consent of the Administrative Agent, such consent to be granted in the Administrative Agent's sole discretion, and subject to the conditions set forth in clause (b) below, the Revolving Commitments may be increased by, or one or more new tranches of term loans (the "**Additional Term Loans**") may be created in, an amount not in excess of \$40,000,000 (each such increase, an "**Increase**"); provided, however, (i) that in no event shall the Revolving Commitments be increased by an amount in excess of \$5,000,000 and (ii) there shall be not more than five (5) Increases during the term of this Agreement. The Administrative Agent shall invite each Lender to increase its Revolving Commitments or provide an Additional Term Loan (as the case may be) (it being understood that no Lender shall be obligated to increase its Revolving Commitments or provide an Additional Term Loan) in connection with a proposed Increase at the interest margin proposed by Borrower, and if sufficient Lenders do not agree to increase their Revolving Commitments or provide an Additional Term Loan (as the case may be) in connection with such proposed Increase on terms acceptable to the Borrower, then the Administrative Agent or the Borrower may invite any prospective lender who is reasonably satisfactory to Administrative Agent and the Borrower to become a Lender in connection with a proposed Increase. Any Increase shall be in an amount of at least \$2,500,000 and integral multiples of \$100,000 in excess thereof.

(b) Each of the following shall be conditions precedent to any Increase of the Revolving Commitments or the making of any Additional Term Loans in connection therewith:

(i) each of the conditions precedent set forth in Section 5.2 (subject to customary "SunGard" limitations in connection with Limited Condition Acquisitions) shall be satisfied and no Default or Event of Default (other than in connection with Limited Condition Acquisitions, in which case there shall be no Default or Event of Default as of the LCA Test Date) shall occur after giving effect to the occurrence of such Increase of the Revolving Commitments or the making of any Additional Term Loans and the use or proceeds thereof,

(ii) Borrower shall be in compliance with the then applicable financial covenants after giving effect to the making of the Increase of the Revolving Commitments or the making of any Additional Term Loans, and the application of the proceeds thereof, on a Pro Forma Basis and calculated in accordance with Section 1.3 (in the case such Additional Term Loan is used to finance a Limited Condition Acquisition); provided, that, the Consolidated Leverage Ratio as of the last day of the fiscal quarter most recently ended prior to the date on which the Additional Term Loan is funded (subject to Section 1.3 in the case such Additional Term Loan is used to finance a Limited Condition Acquisition) shall not exceed 0.25x less than the then-prevailing Consolidated Leverage Ratio covenant compliance level set forth in Section 7.1 for the most recently reported fiscal quarter end (subject to Section 1.3 in the case such Additional Term Loan is used to finance a Limited Condition Acquisition),

(iii) the Borrower shall have delivered to the Administrative Agent a Compliance Certificate evidencing compliance with the requirements of clause (ii) above,

(iv) Borrower shall have delivered to the Administrative Agent, which shall in turn promptly furnish to the Lenders, an irrevocable written request for such Additional Term Loan at least ten (10) Business Days prior to the requested funding date of such Additional Term Loan or Increase to the Revolving Commitments or such earlier date as the Administrative Agent may agree; provided that if such request indicates that such request is conditioned upon the occurrence of a specified event, such request may be revoked if such event does not occur prior to the requested funding date.

(v) Any prospective Lender, the Borrower and the Administrative Agent have signed a joinder agreement to this Agreement (a "**Joinder**"), in form and substance reasonably satisfactory to the Administrative Agent, to which such prospective Lender, the Borrower, and the Administrative Agent are party. Any Joinder may, with the consent of the Administrative Agent, the Borrower and the Lenders or prospective Lender agreeing to the Additional Term Loan, effect such amendments to this Agreement and the other Loan Documents as may be necessary or appropriate to effectuate the provisions of this Section 2.26 (including, if applicable, any amendment necessary to ensure and demonstrate that the Liens and security interests granted by the Loan Documents are perfected under the UCC to secure the Obligations in respect of the Additional Term Loans or Increase to the Revolving Commitments) and the Borrower shall have executed any Notes requested by any Lender in connection with the making of the Additional Term Loan or Increase to the Revolving Comments.

(vi) The Borrower shall have paid all fees required pursuant to the Fee Letter.

(c) No Lender shall be obligated to participate in any Additional Term Loan or Increase to the Revolving Commitment, and each such Lender's determination to participate shall be in such Lender's sole and absolute discretion. The Administrative Agent shall invite each Lender to provide an Additional Term Loan or Increase to the Revolving Commitment (it being understood that no Lender shall be obligated to provide an Additional Term Loan or Increase to the Revolving Commitment) and to the extent that, within five (5) Business Days after receipt of such invitation, sufficient Term Lenders do not agree to provide an Additional Term Loan or Increase to the Revolving Commitment on terms acceptable to the Borrower, then the Borrower may invite any prospective lender that satisfies the criteria of being an "Eligible Assignee" and is approved by the Administrative Agent (such approval not to be unreasonably withheld) to become a Lender in connection with the proposed Additional Term Loan or Increase to the Revolving Commitment.

(d) The Additional Term Loan or Increase to the Revolving Commitment shall, for purposes of prepayments, be treated substantially the same as the Term Loans funded on the Closing Date and the then existing Revolving Commitments, and shall have the same terms as the Term Loans and Revolving Commitment (except as contemplated in the proviso



below and except for terms that are applicable after the later of the Term Loan Maturity Date and the Revolving Termination Date); provided that (except as may be mutually agreed among the Borrower, the Administrative Agent and the Required Lenders or such greater percentage of Lenders required by Section 10.1(a)), (i) no Additional Term Loan shall have a final maturity date earlier than the Term Loan Maturity Date and no Increase to the Revolving Commitment shall have a maturity date earlier than the Revolving Termination Date, (ii) the amortization schedule of any such Additional Term Loan shall not have a weighted average life to maturity shorter than the remaining weighted average life to maturity of the Term Loans funded on the Closing Date, and (iii) if the all-in yield (which will be determined by (x) including interest rate margins, original issue discount (based on a four-year average life to maturity or, if less, the remaining life to maturity), and upfront fees payable by the Borrower generally to all the lenders of such Additional Term Loan or Increase to the Revolving Commitment, (y) if such Additional Term Loan or Increase to the Revolving Commitment includes an interest rate floor greater than the applicable interest rate floor under the then extant Term Facility or Revolving Facility, such differential between interest rate floors will be equated to the applicable all-in-yield for purposes of determining whether an increase to the interest rate margin under the then extant Term Facility or Revolving Facility will be required, and in such case, the interest rate floor (but not the interest rate margin) applicable to the then extant Term Facility or Revolving Facility will be increased to the extent of such differential between interest rate floors, and (z) excluding arrangement, commitment, structuring, underwriting and amendment fees applicable to such Additional Term Loan or Increase to the Revolving Commitment) shall not be more than 0.50% higher than the corresponding all-in yield (determined on the same basis) applicable to the then extant Term Loan Facility or Revolving Facility unless the interest rate margin (or Eurodollar or ABR floors) with respect to the then extant Term Facility or Revolving Facility is increased by an amount equal to the difference between the all-in yield with respect to such incremental term loans and the all-in yield applicable to the then extant Term Loan Facility or Revolving Facility, minus 0.50%. The Revolving Loans and Revolving Commitments established pursuant to this Section 2.26 shall constitute Revolving Loans and Revolving Commitments under, and shall be entitled to all the benefits afforded by, and shall, without limiting the foregoing, benefit equally and ratably from the guarantees and security interests created by the Loan Documents. Scheduled payments on the Additional Term Loan shall commence on the first full quarter end following an Additional Term Loan advance, at the then applicable payment terms for the extant Term Loan.

(e) Unless otherwise specifically provided herein, (i) all references in this Agreement and any other Loan Document to Revolving Loans shall be deemed, unless the context otherwise requires, to include Revolving Loans made pursuant to the increased Revolving Commitments pursuant to this Section 2.26, and (ii) upon the funding of any Additional Term Loan, all references in this Agreement and any other Loan Document to the Term Loans shall be deemed, unless the context otherwise requires, to include the Additional Term Loan, as applicable, advanced pursuant to this Section 2.26 and (iii) all references in this Agreement and any other Loan Document to the Term Commitments shall be deemed, unless the context otherwise requires, to include the commitment to advance an amount equal to the Additional Term Loans contemplated pursuant to this Section 2.26.

(f) Any Additional Term Loan established pursuant to this Section 2.26 shall constitute a Term Loan and Term Commitment under the Loan Documents, and shall rank pari passu in right of payment in respect of the Collateral and with the Obligations in respect of the Revolving Loans and the Term Loans. Any Revolving Loans and Increase to the Revolving Commitments established pursuant to this Section 2.26 shall constitute Revolving Loans and Revolving Commitments under the Loan Documents, and shall rank pari passu in right of payment in respect of the Collateral and with the Obligations in respect of the Revolving Loans and the Term Loans.

(g) Upon the funding of each Additional Term Loan that represents an increase to the Term Loan Commitment hereunder or has the same amortization of the then extant Term Loans, the scheduled amortization payments set forth in Section 2.3 shall be recalculated and increased, commencing in the first full quarter after such Incremental Term Loan is funded, by aggregating the Term Loan made on the Closing Date with the Incremental Term Loan and multiplying such amount by the applicable percentage set forth in the table in Section 2.3 and such amended amortization schedule shall be effective commencing on the last day of the first full fiscal quarter after the Incremental Term Loan is funded.

(h) This Section supersedes any provisions in Section 2.18 or 10.1 to the contrary.

(i) The proceeds of any Increase shall be used to finance Permitted Acquisitions.

#### **2.27 Extension of Maturity Date.**

(a) Request for Extension The Borrower may, by notice to the Administrative Agent (who shall promptly notify the Lenders) not earlier than 45 days and not later than 35 days prior to the Term Loan Maturity Date or the Revolving Termination Date (each, a “**Maturity Date**”) then in effect hereunder (each, an “**Existing Maturity Date**”), request that each applicable Lender extend such Lender’s Term Loan Maturity or Revolving Termination Date, as applicable, for an additional 364 days from the Existing Maturity Date in respect of the applicable Facility.

(b) Lender Elections to Extend. Each Lender under the applicable Facility, acting in its sole and individual discretion, shall, by notice to the Administrative Agent on any date (the “**Notice Date**”), advise the Administrative Agent whether or not such Lender agrees to such extension (and each Lender that determines not to so extend its Maturity Date (a “**Non-Extending Lender**”) shall notify the Administrative Agent of such determination promptly (but in any event no later than the Notice Date) and any Lender that does not so advise the Administrative Agent on or before the Notice Date shall be deemed to be a Non-Extending Lender. The election of any Lender to agree to such extension shall not obligate any other Lender under the applicable Facility to so agree.

(c) Notification by Administrative Agent. The Administrative Agent shall notify the Borrower of each Lender’s determination under this Section within a time period to be mutually agreed.

(d) **Additional Commitment Lenders.** The Borrower shall have the right to replace each Non-Extending Lender with, and add as Lenders under the applicable Facility under this Agreement in place thereof, one or more Eligible Assignees (each, an “**Additional Commitment Lender**”); provided that each of such Additional Commitment Lenders shall enter into an Assignment and Assumption pursuant to which such Additional Commitment Lender shall, effective as of the Existing Maturity Date, undertake a Revolving Commitment or the Term Loan (and, if any such Additional Commitment Lender in respect of the Revolving Credit Facility is already a Revolving Lender, its Revolving Commitment shall be in addition to any other Revolving Commitment of such Lender hereunder on such date; if any such Additional Commitment Lender in respect of the Term Facility is already a Term Lender, its Term Loan shall be in addition to any other Term Loan of such Lender).

(e) **Minimum Extension Requirement.** If (and only if) the total of the Revolving Commitments of the Revolving Lenders that have agreed so to extend their Maturity Date (each, an “**Extending Lender**”) and the additional Revolving Credit Commitments of the Additional Commitment Lenders shall be more than 50% of the aggregate amount of the Revolving Credit Commitments in effect immediately prior to the Existing Maturity Date, then, effective as of the Existing Maturity Date, the Maturity Date in respect of the Revolving Credit Facility of each Extending Lender and of each Additional Commitment Lender shall be extended to the date falling 364 days after the Existing Maturity Date (except that, if such date is not a Business Day, such Maturity Date as so extended shall be the next preceding Business Day) and each Additional Commitment Lender shall thereupon become a “Revolving Credit Lender” for all purposes of this Agreement.

(f) **Conditions to Effectiveness of Extensions.** As a condition precedent to such extension, the Borrower shall deliver to the Administrative Agent such documents, certification and information as the Administrative Agent shall reasonably require. In addition, on the Maturity Date of each Non-Extending Lender, the Borrower shall prepay any Loans outstanding on such date (and pay any breakage fees required hereunder) to the extent necessary to keep outstanding Loans ratable with any revised Revolving Percentages of the respective Lenders effective as of such date.

(g) **Conflicting Provisions.** This Section shall supersede any provisions in Section 2.18 or 10.1 to the contrary.

### SECTION 3 LETTERS OF CREDIT

#### 3.1 L/C Commitment.

(a) Subject to the terms and conditions hereof, the Issuing Lender agrees to issue letters of credit (“**Letters of Credit**”) for the account of the Borrower (or, with the consent of the Lenders, any Loan Party) on any Business Day during the Letter of Credit Availability Period in such form as may be approved from time to time by the Issuing Lender; provided that the Issuing Lender shall have no obligation to issue any Letter of Credit if, (1) after giving effect to such issuance, the L/C Exposure would exceed the Total L/C Commitments at such time, (2) after giving effect to such issuance, the sum of the L/C Exposure and the outstanding Revolving Loans would exceed the Available Revolving Commitment at such time, or (3) the Issuing Lender has been notified in writing at least one Business Day prior to the issuance

thereof by Administrative Agent or a Revolving Lender that the funding conditions set forth in Section 5.2 cannot be satisfied at such time. Each Letter of Credit shall, unless agreed by the Lenders, (i) be denominated in Dollars and (ii) expire no later than the earlier of (x) the first anniversary of its date of issuance and (y) the date that is five Business Days prior to the Letter of Credit Maturity Date; provided that Letters of Credit may have termination dates that occur later than five Business Days prior to the Letter of Credit Maturity Date to the extent the Borrower shall have (i) Cash Collateralized such Letter of Credit in an amount equal to at least 105% of the stated amount of such Letter of Credit or (ii) delivered to the Administrative Agent a letter of credit issued for its benefit in a stated amount equal to at least 105% of the stated amount of such Letter of Credit and having terms and conditions, and issued by an issuer, reasonably satisfactory to the Administrative Agent, provided further that any Letter of Credit with a one-year term may provide for the renewal thereof for additional one-year periods (which shall in no event extend beyond the date referred to in clause (y) above).

**(b)** The Issuing Lender shall not at any time be obligated to issue any Letter of Credit if:

(i) such issuance would conflict with, or cause the Issuing Lender or any L/C Lender to exceed any limits imposed by, any applicable Requirement of Law;

(ii) any order, judgment or decree of any Governmental Authority or arbitrator shall by its terms purport to enjoin or restrain the Issuing Lender from issuing, amending or reinstating such Letter of Credit, or any law, rule or regulation applicable to the Issuing Lender or any request, guideline or directive (whether or not having the force of law) from any Governmental Authority with jurisdiction over the Issuing Lender shall prohibit, or request that the Issuing Lender refrain from, the issuance, amendment, renewal or reinstatement of letters of credit generally or such Letter of Credit in particular or shall impose upon the Issuing Lender with respect to such Letter of Credit any restriction, reserve or capital requirement (for which the Issuing Lender is not otherwise compensated) not in effect on the Closing Date, or shall impose upon the Issuing Lender any unreimbursed loss, cost or expense which was not applicable on the Closing Date and which the Issuing Lender in good faith deems material to it;

(iii) the Issuing Lender has received written notice from any Lender, the Administrative Agent or the Borrower, at least one Business Day prior to the requested date of issuance, amendment, renewal or reinstatement of such Letter of Credit, that one or more of the applicable conditions contained in Section 5.2 shall not then be satisfied;

(iv) any requested Letter of Credit is not in form and substance acceptable to the Issuing Lender, or the issuance, amendment or renewal of a Letter of Credit shall violate any applicable laws or regulations or any applicable policies of the Issuing Lender;

(v) such Letter of Credit contains any provisions providing for automatic reinstatement of the stated amount after any drawing thereunder;

(vi) except as otherwise agreed by the Administrative Agent and the Issuing Lender, such Letter of Credit is in an initial face amount less than \$100,000;

(vii) any Lender is at that time a Defaulting Lender, unless reallocated in accordance with Section 2.24 (a)(iv) if the Issuing Lender has entered into arrangements satisfactory to the Issuing Lender (in its reasonable discretion) with the Borrower or such Defaulting Lender to eliminate the Issuing Lender's actual or potential Fronting Exposure (after giving effect to Section 2.24 (a)(iv)) with respect to the Defaulting Lender arising from either the Letter of Credit then proposed to be issued or such Letter of Credit and all other L/C Exposure as to which the Issuing Lender has actual or potential Fronting Exposure, as it may elect in its sole discretion.

**3.2 Procedure for Issuance of Letters of Credit.** The Borrower may from time to time request that the Issuing Lender issue a Letter of Credit for the account of the Borrower (or, with the consent of the Lenders, any Loan Party) by delivering to the Issuing Lender at its address for notices specified herein an Application therefor, completed to the satisfaction of the Issuing Lender, and such other certificates, documents and other papers and information as the Issuing Lender may reasonably request. Upon receipt of any Application, the Issuing Lender will process such Application and the certificates, documents and other papers and information delivered to it in connection therewith in accordance with its customary procedures and shall promptly issue the Letter of Credit requested thereby (but in no event shall the Issuing Lender be required to issue any Letter of Credit earlier than three Business Days after its receipt of the Application therefor and all such other certificates, documents and other papers and information relating thereto) by issuing the original of such Letter of Credit to the beneficiary thereof or as otherwise may be agreed to by the Issuing Lender and the Borrower. The Issuing Lender shall furnish a copy of such Letter of Credit to the Borrower promptly following the issuance thereof. The Issuing Lender shall promptly furnish to the Administrative Agent, which shall in turn promptly furnish to the Lenders, notice of the issuance of each Letter of Credit (including the amount thereof).

### **3.3 Fees and Other Charges.**

(a) The Borrower agrees to pay (i) to the Administrative Agent for the benefit of the L/C Lenders with respect to each outstanding Letter of Credit issued for the account of (or at the request of) the Borrower a letter of credit fee equal to the L/C Fee Rate per annum on the drawable amount of such Letter of Credit, payable quarterly in arrears on the last Business Day of March, June, September and December of each year and on the Letter of Credit Maturity Date (each, an "**L/C Fee Payment Date**") after the issuance date of such Letter of Credit, (ii) a fronting fee of 0.125% per annum on the daily amount available to be drawn under each such Letter of Credit to the Issuing Lender for its own account (a "**Letter of Credit Fronting Fee**") on each L/C Fee Payment Date, and (iii) without duplication of the Letter of Credit Fronting Fees, and the Issuing Lender's standard and reasonable fees with respect to the issuance, amendment, renewal or extension of any Letter of Credit issued for the account of (or at the request of) the Borrower or processing of drawings thereunder (the fees in this clause (iii), collectively, the "**Issuing Lender Fees**"). All of the foregoing fees shall be computed on the basis of the actual number of days elapsed in a year of 360 days.

(b) In addition to the foregoing fees, the Borrower shall pay or reimburse the Issuing Lender for such normal and customary costs and expenses as are incurred or charged by the Issuing Lender in issuing, negotiating, effecting payment under, amending or otherwise administering any Letter of Credit.

(c) The Borrower shall furnish to the Issuing Lender and the Administrative Agent such other documents and information pertaining to any requested Letter of Credit issuance, amendment or renewal, including any L/C-Related Documents, as the Issuing Lender or the Administrative Agent may require. This Agreement shall control in the event of any conflict with any L/C-Related Document (other than any Letter of Credit).

(d) Any letter of credit fees otherwise payable for the account of a Defaulting Lender with respect to any Letter of Credit shall be payable, to the maximum extent permitted by applicable law, to the other L/C Lenders in accordance with the upward adjustments in their respective L/C Percentages allocable to such Letter of Credit pursuant to Section 2.24(a)(iv), with the balance of such fee, if any, payable to the Issuing Lender for its own account.

**3.4 L/C Participations.** The Issuing Lender irrevocably agrees to grant and hereby grants to each L/C Lender, and, to induce the Issuing Lender to issue Letters of Credit, each L/C Lender irrevocably agrees to accept and purchase and hereby accepts and purchases from the Issuing Lender, on the terms and conditions set forth below, for such L/C Lender's own account and risk an undivided interest equal to such L/C Lender's L/C Percentage in the Issuing Lender's obligations and rights under and in respect of each Letter of Credit and the amount of each draft paid by the Issuing Lender thereunder. Each L/C Lender agrees with the Issuing Lender that, if a draft is paid under any Letter of Credit for which the Issuing Lender is not reimbursed in full by the Borrower pursuant to Section 3.5(a), such L/C Lender shall pay to the Issuing Lender upon demand at the Issuing Lender's address for notices specified herein an amount equal to such L/C Lender's L/C Percentage of the amount of such draft, or any part thereof, that is not so reimbursed. Each L/C Lender's obligation to pay such amount shall be absolute and unconditional and shall not be affected by any circumstance, including (i) any setoff, counterclaim, recoupment, defense or other right that such L/C Lender may have against the Issuing Lender, the Borrower or any other Person for any reason whatsoever, (ii) the occurrence of a Default or an Event of Default or the failure to satisfy any of the other conditions specified in Section 5, (iii) any adverse change in the condition (financial or otherwise) of the Borrower, (iv) any breach of this Agreement or any other Loan Document by the Borrower, any other Loan Party or any other L/C Lender, or (v) any other circumstance, happening or event whatsoever, whether or not similar to any of the foregoing.

### **3.5 Reimbursement.**

(a) If the Issuing Lender shall make any L/C Disbursement in respect of a Letter of Credit, the Issuing Lender shall notify the Borrower and the Administrative Agent thereof and the Borrower shall pay or cause to be paid to the Issuing Lender an amount equal to the entire amount of such L/C Disbursement not later than the Business Day immediately following notice to the Borrower of such L/C Disbursement. Each such payment shall be made to the Issuing Lender at its address for notices referred to herein in Dollars and in immediately available funds.

(b) If the Issuing Lender shall not have received from the Borrower the payment that it is required to make pursuant to Section 3.5(a) with respect to a Letter of Credit within the time specified in such Section, the Issuing Lender will promptly notify the Administrative Agent of the L/C Disbursement and the Administrative Agent will promptly notify each L/C Lender of such L/C Disbursement and its L/C Percentage thereof, and each L/C Lender shall pay to the Issuing Lender upon demand at the Issuing Lender's address for notices specified herein an amount equal to such L/C Lender's L/C Percentage of such L/C Disbursement (and the Administrative Agent may apply Cash Collateral provided for this purpose); upon such payment pursuant to this paragraph to reimburse the Issuing Lender for any L/C Disbursement, the Borrower shall be required to reimburse the L/C Lenders for such payments (including interest accrued thereon from the date of such payment until the date of such reimbursement at the rate applicable to Term Loans that are ABR Loans plus 2% per annum) on demand; provided that if at the time of and after giving effect to such payment by the L/C Lenders, the conditions to borrowings and Revolving Loan Conversions set forth in Section 5.2 are satisfied, the Borrower may, by written notice to the Administrative Agent certifying that such conditions are satisfied and that all interest owing under this paragraph has been paid, request that such payments by the L/C Lenders be converted into Revolving Loans (a "**Revolving Loan Conversion**"), in which case, if such conditions are in fact satisfied, the L/C Lenders shall be deemed to have extended, and the Borrower shall be deemed to have accepted, a Revolving Loan in the aggregate principal amount of such payment without further action on the part of any party, and the Total L/C Commitments shall be permanently reduced by such amount; any amount so paid pursuant to this paragraph shall, on and after the payment date thereof, be deemed to be Revolving Loans for all purposes hereunder; provided that the Issuing Lender, at its option, may effectuate a Revolving Loan Conversion regardless of whether the conditions to borrowings and Revolving Loan Conversions set forth in Section 5.2 are satisfied.

**3.6 Obligations Absolute.** The Borrower's obligations under this Section 3 shall be absolute and unconditional under any and all circumstances and irrespective of any setoff, counterclaim or defense to payment that the Borrower may have or have had against the Issuing Lender, any beneficiary of a Letter of Credit or any other Person. The Borrower also agrees with the Issuing Lender that the Issuing Lender shall not be responsible for, and the Borrower's obligations hereunder shall not be affected by, among other things, the validity or genuineness of documents or of any endorsements thereon, even though such documents shall in fact prove to be invalid, fraudulent or forged, or any dispute between or among the Borrower and any beneficiary of any Letter of Credit or any other party to which such Letter of Credit may be transferred or any claims whatsoever of the Borrower against any beneficiary of such Letter of Credit or any such transferee. The Issuing Lender shall not be liable for any error, omission, interruption or delay in transmission, dispatch or delivery of any message or advice, however transmitted, in connection with any Letter of Credit, except for errors or omissions found by a final and nonappealable decision of a court of competent jurisdiction to have resulted from the gross negligence or willful misconduct of the Issuing Lender. The Borrower agrees that any action taken or omitted by the Issuing Lender under or in connection with any Letter of Credit or the related drafts or documents, if done in the absence of gross negligence or willful misconduct, shall be binding on the Borrower and shall not result in any liability of the Issuing Lender to the Borrower.

In addition to amounts payable as elsewhere provided in the Agreement, the Borrower hereby agrees to pay and to protect, indemnify, and save Issuing Lender harmless from and against any and all claims, demands, liabilities, damages, losses, costs, charges and expenses (including reasonable attorneys' fees and allocated costs of internal counsel) that the Issuing Lender may incur or be subject to as a consequence, direct or indirect, of (A) the issuance of any Letter of Credit, or (B) the failure of Issuing Lender or of any L/C Lender to honor a demand for payment under any Letter of Credit thereof as a result of any act or omission, whether rightful or wrongful, of any present or future de jure or de facto government or Governmental Authority, in each case other than to the extent solely as a result of the gross negligence or willful misconduct of Issuing Lender or such L/C Lender (as finally determined by a court of competent jurisdiction).

**3.7 Letter of Credit Payments.** If any draft shall be presented for payment under any Letter of Credit, the Issuing Lender shall promptly notify the Borrower and the Administrative Agent of the date and amount thereof. The responsibility of the Issuing Lender to the Borrower in connection with any draft presented for payment under any Letter of Credit shall, in addition to any payment obligation expressly provided for in such Letter of Credit, be limited to determining that the documents (including each draft) delivered under such Letter of Credit in connection with such presentment are substantially in conformity with such Letter of Credit.

**3.8 Applications.** To the extent that any provision of any Application related to any Letter of Credit is inconsistent with the provisions of this Section 3, the provisions of this Section 3 shall apply.

**3.9 Interim Interest.** If the Issuing Lender shall make any L/C Disbursement in respect of a Letter of Credit, then, unless either the Borrower shall reimburse such L/C Disbursement in full within the time period specified in Section 3.5(a) or the L/C Lenders shall reimburse such L/C Disbursement in full on such date as provided in Section 3.5(b), in each case the unpaid amount thereof shall bear interest for the account of the Issuing Lender, for each day from and including the date of such L/C Disbursement to but excluding the earlier of the date of payment by the Borrower, at the rate per annum that would apply to such amount if such amount were a Revolving Loan that is an ABR Loan; *provided* that the provisions of Section 2.15(c) shall be applicable to any such amounts not paid when due.

### **3.10 Cash Collateral.**

**(a) Certain Credit Support Events.** Upon the request of the Administrative Agent or the Issuing Lender (i) if the Issuing Lender has honored any full or partial drawing request under any Letter of Credit and such drawing has resulted in an L/C Advance by all the L/C Lenders that is not reimbursed by the Borrower or converted into a Revolving Loan pursuant to Section 3.5(b), or (ii) if, as of the Letter of Credit Maturity Date, any L/C Exposure for any reason remains outstanding, the Borrower shall, in each case, immediately Cash Collateralize the then effective amount of all L/C Exposure. At any time that there shall exist a Defaulting Lender, immediately upon the request of the Administrative Agent or the Issuing Lender, the Borrower shall deliver to the Administrative Agent Cash Collateral in an amount sufficient to cover all Fronting Exposure (unless (x) the Defaulting Lender has been replaced in accordance with the terms hereof, or (y) the Revolving Loan Commitments of the other Lenders have been increased by an amount sufficient to satisfy the Administrative Agent that all Fronting Exposure will be covered by all Revolving Lenders that are not Defaulting Lenders or (z) after giving effect to Section 2.23(a)(iv) and any Cash Collateral provided by the Defaulting Lender).



**(b) Grant of Security Interest.** All Cash Collateral (other than credit support not constituting funds subject to deposit) shall be maintained in blocked, non-interest bearing deposit accounts with the Administrative Agent. Pursuant to the Security Documents, the Borrower, and to the extent provided by any Lender, such Lender, shall grant to (and subjects to the control of) the Administrative Agent, for the benefit of the Administrative Agent, the Issuing Lender and the L/C Lenders, and agrees to maintain, a first priority security interest in all such cash, deposit accounts and all balances therein, and all other property so provided as collateral pursuant thereto, and in all proceeds of the foregoing, all as security for the obligations to which such Cash Collateral may be applied pursuant to Section 3.10(c). If at any time the Administrative Agent determines that Cash Collateral is subject to any right or claim of any Person other than the Administrative Agent as provided under the applicable Security Document, or that the total amount of such Cash Collateral is less than the applicable Fronting Exposure and other obligations secured thereby, the Borrower or the relevant Defaulting Lender will, promptly upon demand by the Administrative Agent, pay or provide to the Administrative Agent additional Cash Collateral in an amount sufficient to eliminate such deficiency.

**(c) Application.** Notwithstanding anything to the contrary contained in this Agreement, Cash Collateral provided under any of this Section 3.10, Section 2.24 or otherwise in respect of Letters of Credit shall be held and applied to the satisfaction of the specific L/C Exposure, obligations to fund participations therein (including, as to Cash Collateral provided by a Defaulting Lender, any interest accrued on such obligation) and other obligations for which the Cash Collateral was so provided, prior to any other application of such property as may be provided for herein.

**(d) Release.** Cash Collateral (or the appropriate portion thereof) provided to reduce Fronting Exposure or other obligations shall be released promptly following (i) the elimination of the applicable Fronting Exposure or other obligations giving rise thereto (including by the termination of Defaulting Lender status of the applicable Lender), or (ii) the Administrative Agent's good faith determination that there exists excess Cash Collateral; provided, however, (A) that Cash Collateral furnished by or on behalf of a Loan Party shall not be released during the continuance of an Event of Default, and (B) the Person providing Cash Collateral and the Issuing Lender may agree that Cash Collateral shall not be released but instead held to support future anticipated Fronting Exposure or other obligations.

**3.11 Additional Issuing Lenders.** The Borrower may, at any time and from time to time with the consent of the Administrative Agent (which consent shall not be unreasonably withheld, conditioned or delayed) and such Lender, designate one or more additional Lenders to act as an issuing bank under the terms of this Agreement. Any Lender designated as an issuing bank pursuant to this paragraph shall be deemed to be an "*Issuing Lender*" (in addition to being a Lender) in respect of Letters of Credit issued or to be issued by such Lender, and, with respect to such Letters of Credit, such term shall thereafter apply to the other Issuing Lender and such Lender.

**3.12 Resignation of the Issuing Lender.** The Issuing Lender may resign at any time by giving at least 30 days' prior written notice to the Administrative Agent, the Lenders and the Borrower. Subject to the next succeeding paragraph, upon the acceptance of any appointment as the Issuing Lender hereunder by a Lender that shall agree to serve as successor Issuing Lender, such successor shall succeed to and become vested with all the interests, rights and obligations of the retiring Issuing Lender and the retiring Issuing Lender shall be discharged from its obligations to issue additional Letters of Credit hereunder without affecting its rights and obligations with respect to Letters of Credit previously issued by it. At the time such resignation shall become effective, the Borrower shall pay all accrued and unpaid fees pursuant to Section 3.3. The acceptance of any appointment as the Issuing Lender hereunder by a successor Lender shall be evidenced by an agreement entered into by such successor, in a form satisfactory to the Borrower and the Administrative Agent, and, from and after the effective date of such agreement, (i) such successor Lender shall have all the rights and obligations of the previous Issuing Lender under this Agreement and the other Loan Documents and (ii) references herein and in the other Loan Documents to the term "Issuing Lender" shall be deemed to refer to such successor or to any previous Issuing Lender, or to such successor and all previous Issuing Lenders, as the context shall require. After the resignation of the Issuing Lender hereunder, the retiring Issuing Lender shall remain a party hereto and shall continue to have all the rights and obligations of an Issuing Lender under this Agreement and the other Loan Documents with respect to Letters of Credit issued by it prior to such resignation, but shall not be required to issue additional Letters of Credit.

**3.13 Applicability of ISP.** Unless otherwise expressly agreed by the Issuing Lender and the Borrower when a Letter of Credit is issued and subject to applicable laws, the Letters of Credit shall be governed by and subject to the rules of the ISP.

#### **SECTION 4 REPRESENTATIONS AND WARRANTIES**

To induce the Administrative Agent and the Lenders to enter into this Agreement and to make the Loans and issue the Letters of Credit, Holdings and the Borrower hereby jointly and severally represent and warrant to the Administrative Agent and each Lender as to itself and each of its Subsidiaries, as follows on each date required under Section 5 hereof that:

##### **4.1 Financial Condition.**

(a) The Pro Forma Financial Statements have been prepared giving effect (as if such events had occurred on such date) to (i) the consummation of the Transactions, (ii) the Loans to be made on the Closing Date and the use of proceeds thereof, and (iii) the payment of fees and expenses in connection with the foregoing. The Pro Forma Financial Statements have been prepared in good faith based on assumptions believed by the Borrower to be reasonable as of the date of delivery thereof, and present fairly in all material respects on a *pro forma* basis the estimated financial position of the Borrower, Holdings and their respective Subsidiaries as of the date of delivery thereof, assuming that the events specified in the preceding sentence had actually occurred at such date.

(b) The audited consolidated balance sheets of the Borrower, Holdings and their consolidated Subsidiaries as of December 31, 2016, and the related consolidated statements of income and of cash flows for the fiscal year ended on such date, present fairly in all material respects the consolidated financial condition of Borrower, Holdings and their consolidated Subsidiaries as at such date, and the consolidated results of its operations and consolidated cash flows for the fiscal year then ended. The unaudited statements of income of Borrower, Holdings and their consolidated Subsidiaries for the fiscal quarters ended March 31, 2017, June 30, 2017 and September 30, 2017 present fairly in all material respects the consolidated financial condition of Borrower, Holdings and their consolidated Subsidiaries as at such date, and the results of its operations for the three, six or nine month period, as applicable, then ended (subject to normal year-end audit adjustments). All such financial statements, including the related schedules and notes thereto, have been prepared in accordance with GAAP.

**4.2 No Change.** Since the December 31, 2016, there has been no development or event that has had or could reasonably be expected to have a Material Adverse Effect.

**4.3 Existence; Compliance with Law.** Each Group Member (a) is duly incorporated, organized, formed, validly existing and in good standing (to the extent such concept is applicable in the relevant jurisdiction) under the laws of the jurisdiction of its organization, incorporation or formation, (b) has the corporate, limited liability company, partnership or other entity power and authority, and the legal right, to own and operate its property, to lease the property it operates as lessee and to conduct the business in which it is currently engaged, (c) is duly qualified as a foreign corporation, partnership, or other organization and in good standing under the laws of each jurisdiction where the failure to be so qualified could reasonably be expected to have a Material Adverse Effect and (d) is in compliance with all Requirements of Law except where non-compliance could reasonably be expected to have a Material Adverse Effect.

**4.4 Power, Authorization; Enforceable Obligations.** Each Loan Party has the corporate, limited liability company, partnership or other entity power and authority, and the legal right, to make, deliver and perform the Loan Documents to which it is a party and, in the case of the Borrower, to obtain extensions of credit hereunder. Each Loan Party has taken all necessary constitutional or organizational action to authorize the execution, delivery and performance of the Loan Documents to which it is a party and, in the case of the Borrower, to authorize the extensions of credit on the terms and conditions of this Agreement. No Governmental Approval or consent or authorization of, filing with, notice to or other act by or in respect of, any other Person is required in connection with the Transactions and the extensions of credit hereunder or with the execution, delivery, performance, validity or enforceability of this Agreement or any of the Loan Documents, except for (i) any of the foregoing which has been previously obtained or made and (ii) as described in Schedule 4.4. Each Loan Document has been duly executed and delivered on behalf of each Loan Party party thereto. This Agreement constitutes, and each other Loan Document upon execution will constitute, a legal, valid and binding obligation of each Loan Party party thereto, enforceable against each such Loan Party in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally and by general equitable principles (whether enforcement is sought by proceedings in equity or at law).

**4.5 No Legal Bar.** The execution, delivery and performance of this Agreement and the other Loan Documents, the issuance of Letters of Credit, the borrowings hereunder and the use of the proceeds thereof will not violate any Requirement of Law (except as set forth in Schedule 4.5) or any material Contractual Obligation of any Group Member and will not result in, or require, the creation or imposition of any Lien on any of their respective properties or revenues pursuant to any Requirement of Law or any such Contractual Obligation (other than the Liens created by the Security Documents). The absence of obtaining the Governmental Approvals described in Schedule 4.4 and the violations of Requirements of Law referenced in Schedule 4.5 could not reasonably be expected to have a materially adverse effect on any rights of the Lenders or the Administrative Agent pursuant to the Loan Documents or a material adverse effect on the Group Members with regard to their continuing operations or operations as expected to result from the Transactions.

**4.6 Litigation.** No litigation, investigation or proceeding of or before any arbitrator or Governmental Authority is pending or, to the knowledge of any Loan Party, threatened by or against any Group Member or against any of their respective properties or revenues (a) with respect to the validity or enforceability of any of the Loan Documents or any of the transactions contemplated hereby or thereby, or (b) that could reasonably be expected to have a Material Adverse Effect.

**4.7 No Default.** No Group Member is in default under or with respect to any of its Contractual Obligations in any respect that could reasonably be expected to have a Material Adverse Effect. As of the Closing Date, no Default or Event of Default has occurred and is continuing. Thereafter, no Default or Event of Default has occurred and is continuing which has not been disclosed in writing to the Administrative Agent.

**4.8 Ownership of Property; Liens; Investments.** Each Group Member has title in fee simple to, or a valid freehold or leasehold interest in, all of its real property, and good title to, or a valid leasehold interest in, all of its other property, and none of such property is subject to any Lien except as permitted by Section 7.3. No Loan Party owns any Investment except as permitted by Section 7.8. Section 10 of the Collateral Information Certificate sets forth a complete and accurate list of all real property owned by each Loan Party as of the date hereof, if any. Section 11 of the Collateral Information Certificate sets forth a complete and accurate list of all leases of real property under which any Loan Party is the lessee as of the date hereof.

**4.9 Intellectual Property.** To the knowledge of the Loan Parties, each Group Member owns, or is licensed to use, all Intellectual Property necessary for the conduct of its business as currently conducted. No claim has been asserted in writing and is pending by any Person against any Group Member challenging or questioning such Group Member's use of Intellectual Property or the validity or effectiveness of such Group Member's Intellectual Property (other than routine office actions in the course of prosecution of applications to register Intellectual Property), nor does any Loan Party know of any valid basis for any such claim, unless such claim would not reasonably be expected to have a Material Adverse Effect. To the knowledge of the Loan Parties, the use of Intellectual Property by each Group Member, and the conduct of such Group Member's business, as currently conducted, does not infringe on or otherwise violate the rights of any Person, unless such infringement would not reasonably be expected to have a Material Adverse Effect, and there are no claims pending or, to the knowledge of the Loan Parties, threatened in writing to such effect which would reasonably be expected to result in a Material Adverse Effect.

**4.10 Taxes.** Each Group Member has filed or caused to be filed all Federal, state and other material tax returns that are required to be filed and has paid all taxes shown to be due and payable on said returns or on any assessments made against it or any of its property and all other taxes, fees or other charges imposed on it or any of its property by any Governmental Authority (other than any the amount or validity of which are currently being contested in good faith by appropriate proceedings and with respect to which reserves in conformity with GAAP have been provided on the books of the relevant Group Member); no tax Lien has been filed with respect to assets in excess of \$1,000,000 (other than in respect of taxes not yet delinquent), and no Loan Party is aware of any material written tax assessment against any Group Member that is not being contested in good faith and by appropriate proceedings.

**4.11 Federal Regulations.** No Loan Party is engaged or will engage, principally or as one of its important activities, in the business of “buying’ or “carrying” “margin stock” (within the respective meanings of each of the quoted terms under Regulation U as now and from time to time hereafter in effect) or extending credit for the purpose of purchasing or carrying margin stock. No part of the proceeds of any Loans, and no other extensions of credit hereunder, will be used for buying or carrying any such margin stock or for extending credit to others for the purpose of purchasing or carrying margin stock in violation of Regulations T, U or X of the Board. If any margin stock directly or indirectly constitutes Collateral securing the Obligations, if requested by any Lender or the Administrative Agent, the Borrower will furnish to the Administrative Agent and each Lender a statement to the foregoing effect in conformity with the requirements of FR Form G-3 or FR Form U-1, as applicable, referred to in Regulation U.

**4.12 Labor Matters.** Except as, in the aggregate, could not reasonably be expected to have a Material Adverse Effect: (a) there are no strikes or other labor disputes against any Group Member pending or, to the knowledge of any Loan Party, threatened; (b) hours worked by and payment made to employees of each Group Member have not been in violation of the Fair Labor Standards Act or any other applicable Requirement of Law dealing with such matters; and (c) all payments due from any Group Member on account of employee health and welfare insurance (to the extent that ERISA is not involved) have been paid or accrued as a liability on the books of the relevant Group Member in accordance with GAAP. As of the Closing Date, there are no strikes or other labor disputes against any Group Member pending or, to the knowledge of any Loan Party, threatened.

**4.13 ERISA.** Except as does not, and could not reasonably be expected, individually or in the aggregate, to result in a Material Adverse Effect: (a) no Reportable Event has occurred during the five-year period prior to the date on which this representation is made or deemed made with respect to any Pension Plan; (b) each Plan (other than any Multiemployer Plan) has been operated in compliance in all respects with the applicable provisions of ERISA and the Code; (c) the Borrower and each Commonly Controlled Entity has made all required contributions to each Pension Plan subject to the Pension Funding Rules, and no application for a funding waiver or an extension of any amortization period pursuant to the Pension Funding Rules has been made with respect to any Pension Plan; (d) no termination of a Pension Plan has occurred, and no Lien in favor of the PBGC or a Plan has arisen, during such five-year period;

(e) the present value of all accrued benefits under each Pension Plan (based on those assumptions used to fund such Plans) did not, as of the last annual valuation date prior to the date on which this representation is made or deemed made, exceed the value of the assets of such Plan allocable to such accrued benefits; (f) neither the Borrower nor any Commonly Controlled Entity has had a complete or partial withdrawal from any Multiemployer Plan that has resulted or could reasonably be expected to result in a material liability under ERISA with respect to a Multiemployer Plan, and neither the Borrower nor any Commonly Controlled Entity would become subject to any such withdrawal liability under ERISA nor is any such withdrawal reasonably anticipated; and (g) to the knowledge of the Loan Parties, no Multiemployer Plan is Insolvent.

**4.14 Investment Company Act; Other Regulations.** No Loan Party is an “investment company” within the meaning of the Investment Company Act of 1940, as amended. Except as set forth in Schedule 4.5, no Loan Party is subject to regulation under any Requirement of Law (other than Regulation X of the Board) that limits its ability to incur Indebtedness or which may otherwise render all or any portion of the Obligations unenforceable.

**4.15 Subsidiaries.** Except as disclosed to the Administrative Agent by the Loan Parties in writing from time to time after the Closing Date, (a) Schedule 4.15 sets forth the name and jurisdiction of incorporation, organization or formation of each Group Member and, as to each such Subsidiary, the percentage of each class of Capital Stock owned by any Loan Party, and (b) there are no outstanding subscriptions, options, warrants, calls, rights or other agreements or commitments (other than stock options granted to employees or directors and directors’ qualifying shares) of any nature relating to any Capital Stock of any Group Member, except as may be created by the Loan Documents.

**4.16 Use of Proceeds.** The proceeds of the Term Loans shall be used to finance the Transactions. The proceeds of the Revolving Loans and the Letters of Credit shall be used for working capital and other general corporate purposes (including making Investments to the extent permitted hereunder and Permitted Acquisitions). The proceeds of any Increase shall be used to finance Permitted Acquisitions.

**4.17 Environmental Matters.** Except as, in the aggregate, could not reasonably be expected to have a Material Adverse Effect:

(a) the facilities and properties owned, leased or operated by any Group Member (the “**Properties**”) do not contain, and have not previously contained, any Materials of Environmental Concern in amounts or concentrations or under circumstances that constitute or constituted a violation of, or would be reasonably expected to give rise to liability under, any Environmental Law;

(b) no Group Member has received or is aware of any written notice of violation, alleged violation, non-compliance, liability or potential liability regarding environmental matters or compliance with Environmental Laws with regard to any of the Properties or the business operated by any Group Member (the “**Business**”), nor does any Loan Party have knowledge or reason to believe that any such notice will be received or is being threatened;

(c) Materials of Environmental Concern have not been transported or disposed of from the Properties in violation of, or in a manner or to a location that would be reasonably expected to give rise to liability under, any Environmental Law, nor have any Materials of Environmental Concern been generated, treated, stored or disposed of at, on or under any of the Properties in violation of, or in a manner that would be reasonably expected to give rise to liability under, any applicable Environmental Law;

(d) no judicial proceeding or governmental or administrative action is pending or, to the knowledge of the Loan Parties, threatened, under any Environmental Law to which any Group Member is or, to the knowledge of the Loan Parties, will be named as a party with respect to the Properties or the Business, nor are there any consent decrees or other decrees, consent orders, administrative orders or other orders, or other administrative or judicial requirements outstanding under any Environmental Law with respect to the Properties or the Business;

(e) there has been no release or threat of release of Materials of Environmental Concern at or from the Properties, or arising from or related to the operations of any Group Member in connection with the Properties or otherwise in connection with the Business, in violation of or in amounts or in a manner that would be reasonably expected to give rise to liability under Environmental Laws;

(f) the Properties and all operations at the Properties are in compliance, and have in the last three years been in compliance, with all applicable Environmental Laws, and there is no contamination at, under or about the Properties or violation of any Environmental Law with respect to the Properties or the Business; and

(g) no Group Member has assumed any liability of any other Person under Environmental Laws.

**4.18 Accuracy of Information, etc.** No statement or information (other than any forward looking statements or information, estimates and projections and general economic and industry information) contained in this Agreement, any other Loan Document or any other document, certificate or written statement furnished by or on behalf of any Loan Party to the Administrative Agent or the Lenders, or any of them, for use in connection with the transactions contemplated by this Agreement or the other Loan Documents, contained as of the date such statement, information, document or certificate was so furnished, any untrue statement of a material fact or omitted to state a material fact necessary to make the statements contained herein or therein not misleading in any material respect. The projections and *pro forma* financial information contained in the materials referenced above are based upon good faith estimates and assumptions believed by management of the Borrower to be reasonable at the time made, it being recognized by the Lenders that such financial information as it relates to future events is not to be viewed as fact and that actual results during the period or periods covered by such financial information may differ from the projected results set forth therein by a material amount.

#### 4.19 Security Documents.

(a) The Guarantee and Collateral Agreement is effective to create in favor of the Administrative Agent, for the benefit of the Secured Parties, a legal, valid and enforceable security interest under U.S. law in the Collateral described therein and proceeds thereof, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally and by general equitable principles (whether enforcement is sought by proceedings in equity or at law). In the case of the Pledged Stock described in the Guarantee and Collateral Agreement that are securities represented by stock certificates or otherwise constituting certificated securities within the meaning of Section 8-102(a)(15) of the UCC or the corresponding code or statute of any other applicable jurisdiction ("**Certificated Securities**"), when certificates representing such Pledged Stock are delivered to the Administrative Agent, in the case of any Securities Account or Deposit Account of the Borrower or Guarantor (as applicable), upon effectiveness of appropriate Control Agreements in accordance with Section 5.8 of the Guarantee and Collateral Agreement with respect thereto, and in the case of the other Collateral constituting personal property described in the Guarantee and Collateral Agreement, when financing statements (to the extent such personal property may be perfected through the filing of a UCC financing statement) and other filings specified in Schedule 4.19(a) in appropriate form are filed in the offices specified on Schedule 4.19(a), the Administrative Agent, for the benefit of the Secured Parties, shall have a fully perfected Lien on, and security interest in, all right, title and interest of the Loan Parties in such Collateral and the proceeds thereof, as security for the Obligations, in each case prior and superior in right to any other Person (except, in the case of Collateral other than Pledged Stock, Liens permitted by Section 7.3). Except as set forth on Schedule 4.19(a), as of the Closing Date, none of the Borrower, the Parent Guarantors or any Subsidiary Guarantor that is a limited liability company, exempted limited partnership or partnership own any Capital Stock of a Subsidiary that is a not Certificated Security.

(b) Each of the Mortgages delivered after the Closing Date will be, upon execution, effective to create in favor of the Administrative Agent, for the benefit of the Secured Parties, a legal, valid and enforceable Lien on the Mortgaged Properties described therein and proceeds thereof, and when the Mortgages are filed in the offices for the applicable jurisdictions in which the Mortgaged Properties are located, each such Mortgage shall constitute a fully perfected Lien on, and security interest in, all right, title and interest of the Loan Parties in the Mortgaged Properties and the proceeds thereof, as security for the Obligations (as defined in the relevant Mortgage), in each case prior and superior in right to any other Person (subject to Liens permitted by Section 7.3).

(c) (i) The obligations assumed by the Loan Parties to the Foreign Law Security Documents are their legal, valid, binding, and enforceable obligations, and (ii) each Foreign Law Security Document creates the security interests in respect of the Collateral that such Foreign Law Security Document purports to create and all such security interests are in full force and effect.

**4.20 Solvency; Fraudulent Transfer.** The Loan Parties are, when taken as a whole, and immediately after giving effect to the Transactions and the incurrence of all Indebtedness and obligations being incurred in connection herewith, will be, Solvent. No transfer of property is being made by any Loan Party and no obligation is being incurred by any Loan Party in connection with the transactions contemplated by this Agreement or the other Loan Documents with the intent to hinder, delay, or defraud either present or future creditors of such Loan Party.



**4.21 OFAC.** Neither Holdings, nor any of their Subsidiaries, nor, to the knowledge of Holdings or any such Subsidiary, any director, officer, employee, or affiliate, is an individual or an entity that is, or is owned or controlled by an individual or entity that is (a) currently the subject of any Sanctions, or (b) located, organized or resident in a Designated Jurisdiction.

**4.22 Designated Senior Indebtedness.** The Loan Documents and all of the Obligations shall be deemed “Designated Senior Indebtedness” or a similar concept thereof for purposes of any subordinated Indebtedness of the Loan Parties.

**4.23 Anti-Corruption Laws.** Neither Holdings nor any of its Subsidiaries, nor, to the knowledge of Holdings or any such Subsidiary, any director, officer, or employee of Holdings or any Subsidiary thereof, is aware of or has taken any action, directly or indirectly, that would result in a violation by such Persons of any applicable anti-bribery law, including but not limited to, the United States Foreign Corrupt Practices Act of 1977, the UK Bribery Act 2010, and similar laws, rules or regulations. Furthermore, Holdings and its Subsidiaries have conducted their businesses in compliance with the UK Bribery Act 2010, the United States Foreign Corrupt Practices Act of 1977, and similar laws, rules or regulations, and have instituted and maintained policies and procedures designed to ensure, and which are reasonably expected to continue to ensure, continued compliance therewith.

**4.24 Insurance.** All insurance maintained by the Loan Parties is in full force and effect, all premiums have been duly paid, no Loan Party has received notice of cancellation thereof, and there exists no default under any requirement of such insurance. Each Loan Party maintains insurance with financially sound and reputable insurance companies insurance on all its property in at least such amounts and against at least such risks as are usually insured against in the same general area by companies engaged in the same or a similar business.

**4.25 Accounts Receivable.**

(a) To the extent any Account is designated in any Borrowing Base Certificate as an “Eligible Account,” such Account constitutes an Eligible Account as of the date of such Borrowing Base Certificate.

(b) To the extent that any Account is designated by any Borrowing Base Certificate as an Eligible Foreign Account, such Account constitutes an Eligible Foreign Account as of the date of such Borrowing Base Certificate.

(c) All statements made and all unpaid balances appearing in all invoices, instruments and other documents evidencing the Accounts are and shall be true and correct in all material respects and all such invoices, instruments and other documents when taken as a whole and after giving effect to any supplements thereto, and all of the Borrower’s books and records are genuine and in all material respects what they purport to be. All sales and other transactions underlying or giving rise to each Account shall comply in all material respects with all applicable laws and governmental rules and regulations, except where such failure could not reasonably be expected to have a Material Adverse Effect. To the best of the Borrower’s knowledge, all signatures and endorsements on all documents, instruments, and agreements relating to all Accounts are genuine, and all such documents, instruments and agreements are legally enforceable in accordance with their terms.

**4.26 Capitalization.** Schedule 4.26 sets forth the beneficial owners of all Capital Stock of Holdings and each of its Subsidiaries, and the amount of Capital Stock held by each such owner, as of the Closing Date.

**SECTION 5  
CONDITIONS PRECEDENT**

**5.1 Conditions to Initial Extension of Credit.** The effectiveness of this Agreement and the obligation of each Lender to make its initial extension of credit hereunder shall be subject to the satisfaction or waiver by the Administrative Agent, prior to or concurrently with the making of such extension of credit on the Closing Date, of the following conditions precedent:

**(a) Loan Documents.** The Administrative Agent shall have received each of the following, each of which shall be in form and substance satisfactory to the Administrative Agent:

- (i)** this Agreement executed and delivered by the Administrative Agent, each Lender, the Borrower and Holdings, and acknowledged and agreed to by the other Guarantors;
- (ii)** the Collateral Information Certificate, executed by a Responsible Officer of the relevant Loan Party;
- (iii)** if required by any Term Lender, a Term Loan Note (or an amendment and restatement thereto) executed by the Borrower in favor of such Lender;
- (iv)** if required by any Revolving Lender, a Revolving Loan Note (or an amendment and restatement thereto) executed by the Borrower in favor of such Lender;
- (v)** the Guarantee and Collateral Agreement and/or reaffirmation thereof, executed and delivered by each Loan Party named therein;
- (vi)** each Intellectual Property Security Agreement (or supplements thereto), executed by the applicable grantor related thereto;
- (vii)** each Foreign Law Security Document and/or reaffirmation thereof, executed by each Loan Party named therein;
- (viii)** the Security Trust Deed and/or reaffirmation thereof, executed by each applicable Loan Party thereto;
- (ix)** each other Security Document and/or reaffirmation thereof, executed and delivered by the applicable Loan Party party thereto;

(x) a Notice of Borrowing attaching the Flow of Funds Agreement, executed by the Borrower;

(xi) the Fee Letter;

(xii) the Intercompany Subordination Agreement executed by each applicable Group Member thereto and Administrative Agent;

(xiii) evidence (in form and substance satisfactory to the Administrative Agent) that the Borrower has accepted the appointment as a process agent for the service of process in any proceedings before English courts arising out of or in connection with the UK Security Documents.

**(b) Existing Credit Agreement Obligations.** All of the Existing Revolving Loans shall have been prepaid, together with all accrued interest and unused line fees with respect thereto. All accrued interest, fees and expenses with respect to the Existing Term Loan shall be repaid. All breakage fees in connection with such prepayment are hereby waived.

**(c) Pro Forma Financial Statements; Quality of Earnings Report; Projections.** The Lenders shall have received the Pro Forma Financial Statements and the other financial information referenced in [Section 4.1](#).

**(d) Approvals.** Except as set forth in [Schedule 4.4](#), all Governmental Approvals and consents and approvals of, or notices to, any other Person (including the holders of any Capital Stock issued by any Loan Party) required in connection with the Transactions, the execution and performance of the Loan Documents, the continuing operations of the Group Members, the operations of the Group Members as expected to result from the Transactions and the other transactions contemplated hereby, shall have been obtained and be in full force and effect, and all applicable waiting periods shall have expired without any action being taken or threatened by any competent authority that could reasonably be expected to restrain, prevent or otherwise impose burdensome conditions on the Transactions or the financing contemplated hereby. The absence of obtaining the Governmental Approvals described in [Schedule 4.4](#) shall not have an adverse effect on any rights of the Lenders, the Administrative Agent pursuant to the Loan Documents or an adverse effect on the Group Members with regard to their continuing operations or operations as expected to result from the Transactions.

**(e) Secretary's Certificate; Director's Certificate; Certified Certificate of Organization; Good Standing Certificates.** The Administrative Agent shall have received (i) a certificate of each Loan Party (and in the case of CaymanCo1 for its general partner), dated the Closing Date and executed by a Responsible Officer of such Loan Party (or in the case of CaymanCo1, its general partner), substantially in the form of [Exhibit C](#), with appropriate insertions and attachments, including, among others, the certificate of incorporation, registration or other similar constitutional or organizational document of each Loan Party certified by the relevant authority of the jurisdiction of incorporation, organization or formation of such Loan Party, the bylaws, memorandum and articles of association, or other similar constitutional or organizational document of each Loan Party and the relevant board and/or shareholder resolutions or written consents of each Loan Party (or in the case of CaymanCo1, its general partner), and (ii) a long form good standing certificate, or comparable certificate for any jurisdiction outside of the US, as applicable, for each Loan Party from its jurisdiction of incorporation, organization or formation,.

**(f) Patriot Act.** The Administrative Agent shall have received, prior to the Closing Date, all documentation and other information required by Governmental Authorities under applicable “know your customer” and anti-money-laundering rules and regulations, including OFAC and the Patriot Act.

**(g) Due Diligence Investigation.** The Administrative Agent shall have completed a due diligence investigation of the Loan Parties in scope, and with results, satisfactory to the Administrative Agent and shall have been given such access to the management, records, books of account, contracts and properties of the Loan Parties and shall have received such financial, business and other information regarding each of the foregoing Persons and businesses as it shall have requested.

**(h) Reports.** The Administrative Agent shall have received, in form and substance satisfactory to it, all asset appraisals, field audits, and such other reports and certifications, as it has reasonably requested.

**(i) Collateral Matters.**

**(i) Lien Searches.** The Administrative Agent shall have received (A) the results of recent lien searches in each of the jurisdictions where any of the Loan Parties is formed or organized, and such searches shall reveal no Liens on any of the assets of the Loan Parties except for Liens permitted by Section 7.3, or Liens to be discharged on or prior to the Closing Date and (B) in the case of CaymanCo2 and Vector Capital, Ltd. (as ultimate general partner of CaymanCo1), a copy of its register of mortgages and charges maintained by it pursuant to the Cayman Islands Companies Law.

**(ii) Intellectual Property Searches.** The Administrative Agent shall have received the results of a recent intellectual property search (including searches with the United States Patent and Trademark Office and Copyright Office, or the comparable foreign office) with respect to each Group Member, with the results of such searches to be satisfactory to the Administrative Agent.

**(iii) Pledged Stock; Stock Powers; Pledged Notes.** To the extent not previously delivered, the Administrative Agent shall have received original copies of (A) the certificates representing the shares of Capital Stock pledged to the Administrative Agent pursuant to the Guarantee and Collateral Agreement or other applicable Security Document, together with an undated stock power or stock transfer form (as applicable) for each such certificate executed in blank by a duly authorized officer of the pledgor thereof, and (B) each promissory note (if any) pledged to, or otherwise secured in favor of, the Administrative Agent pursuant to the Guarantee and Collateral Agreement or other applicable Security Document, endorsed (without recourse) in blank (or accompanied by an executed transfer form in blank) by the pledgor thereof.

**(iv) Filings, Registrations and Recordings, Agreements.** Each document (including any UCC financing statements, Intellectual Property Security Agreements, deposit and securities account control agreements) required by the Security Documents or under law or reasonably requested by the Administrative Agent to be filed, registered or recorded to create in favor of the Administrative Agent, for the ratable benefit of the Secured Parties, a perfected Lien on the Collateral described therein, prior and superior in right and priority to any Lien in the Collateral held by any other Person (other than with respect to Liens expressly permitted by Section 7.3), shall have been executed and delivered to the Administrative Agent or, as applicable, be in proper form for filing, registration or recordation.

**(j) Insurance.** The Administrative Agent shall have received insurance certificates satisfying the requirements of Section 6.6 hereof and Section 5.2(b) of the Guaranty and Collateral Agreement, in form and substance satisfactory to the Administrative Agent.

**(k) Fees.** The Administrative Agent shall have received all fees required to be paid on or prior to the Closing Date (including pursuant to the Fee Letter), and all reasonable and documented fees and expenses for which invoices have been presented (including the reasonable and documented fees and expenses of legal counsel to the Administrative Agent) for payment on or before the Closing Date. All such amounts will be paid with proceeds of Loans made on the Closing Date and will be reflected in the Flow of Funds Agreement.

**(l) Legal Opinions.** The Administrative Agent shall have received the executed legal opinions of (i) Kirkland & Ellis, LLP, United States counsel to Borrower, the Parent Guarantors and the Subsidiary Guarantors, (ii) Fieldfisher LLP, UK counsel to the Administrative Agent and Security Trustee, and (iii) Maples and Calder, Cayman Islands counsel to the Administrative Agent in a form reasonably satisfactory to the Administrative Agent. Such legal opinions shall cover such other matters incident to the transactions contemplated by this Agreement as the Administrative Agent may reasonably require.

**(m) Minimum Liquidity.** Liquidity (after giving effect to any borrowings on the Closing Date) of and giving pro forma effect to the Transactions (including payment of fees and expenses) is not less than \$15,000,000

**(n) Borrowing Formula.** The product of pro forma Consolidated EBITDA (for the trailing twelve months ended on the most recent fiscal quarter ending prior the Closing Date) and 3.15 shall be greater than \$90,000,000, or equal to the Term Loan Commitment as of the Closing Date.

**(o) Borrowing Notices.** The Administrative Agent shall have received, in respect of the Term Loan to be made on the Closing Date, a completed Notice of Borrowing executed by the Borrower and otherwise complying with the requirements of Section 2.2.

**(p) Solvency Certificates.** The Administrative Agent shall have received (a) a solvency certificate from the chief financial officer, director or treasurer of the Parent Guarantors (or in the case of CaymanCo1 the general partner), substantially in the form of Exhibit D-1, certifying that the Loan Parties, when taken as a whole and after giving effect to the Transactions and the other transactions contemplated hereby (including the making of the initial Extensions of Credit on the Closing Date), is Solvent and (b) a declaration of solvency, substantially in the form of Exhibit D-2, executed by all the directors of Borrower.

**(q) Material Adverse Effect.** No event or condition since December 31, 2016 shall have occurred that has had or could reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

**(r) Indebtedness.** No Group Member shall have any outstanding Indebtedness except as permitted by Section 7.2.

**(s) No Litigation.** No litigation, investigation or proceeding of or before any arbitrator or Governmental Authority is pending or, to the knowledge of any Loan Party, threatened, that could reasonably be expected to have a Material Adverse Effect.

**5.2 Conditions to Each Extension of Credit.** The agreement of each Lender to make any extension of credit requested to be made by it on any date (including its initial extension of credit) is subject to the satisfaction of the following conditions precedent:

**(a) Representations and Warranties.** Each of the representations and warranties made by each Loan Party in or pursuant to any Loan Document (i) that is qualified by materiality shall be true and correct, and (ii) that is not qualified by materiality, shall be true and correct in all material respects, in each case, on and as of such date as if made on and as of such date, except to the extent any such representation and warranty expressly relates to an earlier date, in which case such representation and warranty shall have been true and correct in all material respects as of such earlier date.

**(b) Availability.** With respect to any requests for any Revolving Extensions of Credit, after giving effect to such Revolving Extension of Credit, the availability and borrowing limitations specified in Section 2.4 shall be complied with.

**(c) Notices of Borrowing.** The Administrative Agent shall have received a Notice of Borrowing and Borrowing Base Certificate in connection with any such request for extension of credit which complies with the requirements hereof.

**(d) No Default.** No Default or Event of Default shall have occurred and be continuing on such date or after giving effect to the extensions of credit requested to be made on such date.

Each borrowing by and issuance of a Letter of Credit on behalf of the Borrower hereunder, each Revolving Loan Conversion shall constitute a representation and warranty by the Borrower as of the date of such extension of credit, Revolving Loan Conversion, as applicable, that the conditions contained in this Section 5.2 have been satisfied or have been waived.

**SECTION 6**  
**AFFIRMATIVE COVENANTS**

Holdings and the Borrower hereby jointly and severally agree that, until all Commitments have been terminated and the principal of and interest on each Loan, all fees and all other expenses or amounts payable under any Loan Document (other than contingent indemnification obligations), including, without limitation, obligations under Specified Swap Agreement and Bank Services Agreement unless the obligations under such agreements have been Cash Collateralized or otherwise secured to the satisfaction of the Administrative Agent and Qualified Counterparty or provider of such Bank Services, as applicable, shall have been paid in full and all Letters of Credit have been canceled or Cash Collateralized in accordance with Section 3 hereof or have expired and all amounts drawn thereunder have been reimbursed in full or Cash Collateralized in accordance with Section 3 hereof, each of the Borrower and Holdings shall, as to itself and each Subsidiary, and shall cause each of its respective Subsidiaries to:

**6.1 Financial Statements.** Furnish to the Administrative Agent, for distribution to each Lender by the Administrative Agent:

(a) Annual Financial Statements. Within 150 days after the end of each fiscal year of the Borrower, a copy of the audited consolidated balance sheet of the Borrower, Holdings and their consolidated Subsidiaries as at the end of such year and the related audited consolidated statements of income and of cash flows for such year, setting forth in each case in comparative form the figures for the previous year, reported on without qualification or exception (other than a “going concern” or like qualification or exception solely as a result of the final maturity date of any Loan being scheduled to occur within twelve (12) months from the date of such opinion) by PricewaterhouseCoopers LLP or other independent certified public accountants of nationally recognized standing reasonably acceptable to the Administrative Agent; and

(b) Quarterly Financial Statements. Not later than 45 days after the end of each fiscal quarter of the Borrower, the unaudited consolidated and consolidating balance sheet of the Borrower, Holdings and their consolidated Subsidiaries as at the end of such quarter and the related unaudited consolidated and consolidating statements of income and of cash flows for such quarter and the portion of the fiscal year through the end of such quarter, setting forth in each case (i) in comparative form the figures for the previous year and (ii) a schedule of revenue, cost of goods sold and gross profits, in each case, related to the Point to Point business and the Point to Multipoint business with respect to each Loan Party, as applicable, certified by a Responsible Officer as being fairly stated in all material respects (subject to normal year-end audit adjustments and the absence of footnotes), together with management’s executive summary of results; and

(c) Monthly Financial Statements. Not later than 30 days after the end of each of the first two months occurring during each fiscal quarter of the Borrower, the unaudited consolidated balance sheet of the Borrower, Holdings and their consolidated Subsidiaries as at the end of such month and the related unaudited consolidated statement of income and of cash flows for such month and the portion of the fiscal year through the end of such month, setting forth in each case in comparative form the figures for the previous year, such comparative form figures to be delivered, certified by a Responsible Officer as being fairly stated in all material respects (subject to normal year-end audit adjustments and the absence of footnotes).

All such financial statements shall be complete and correct in all material respects and shall be prepared in reasonable detail and in accordance with GAAP applied (except as approved by such accountants or officer, as the case may be, and disclosed in reasonable detail therein) consistently throughout the periods reflected therein and with prior periods.

**6.2 Certificates; Reports; Other Information.** Furnish to the Administrative Agent, for distribution to each Lender (or, in the case of clause (f), to the relevant Lender):

(a) Compliance Certificates. Concurrently with the delivery of any financial statements pursuant to Section 6.1, (i) a certificate of a Responsible Officer stating that, to the best of each such Responsible Officer's knowledge, (A) that such Responsible Officer has obtained no knowledge of any Default or Event of Default except as specified in such certificate, and (B) that the financial information (other than projections, estimates and other forward-looking information) delivered to the Administrative Agent on such date is accurate and complete in all material respects, (ii) a discussion and analysis of management of the Borrower with respect to such financial statements (which may be provided in a form consistent with past practice), and (iii) in the case of quarterly or annual financial statements, (x) a Compliance Certificate containing all information and calculations reasonably necessary for determining compliance by each Group Member with the provisions of this Agreement referred to therein as of the last day of the fiscal quarter or fiscal year of the Borrower, as the case may be, and (y) to the extent not previously disclosed to the Administrative Agent, a description of any change in the jurisdiction of organization, incorporation or formation of any Loan Party and a list of any Intellectual Property issued to or acquired by any Loan Party since the date of the most recent report delivered pursuant to this clause (y) (or, in the case of the first such report so delivered, since the Closing Date);

(b) Board Projections. No later than 60 days after the end of each fiscal year of the Borrower, a detailed consolidated budget for the following fiscal year (including a projected consolidated balance sheet of the Borrower, Holdings and their respective Subsidiaries as of the end of each fiscal quarter of such fiscal year, the related consolidated statements of projected cash flow, projected changes in financial position and projected income and a description of the underlying assumptions applicable thereto), and, as soon as available, significant revisions, if any, of such budget and projections with respect to such fiscal year (collectively, the "**Projections**"), which Projections shall in each case be accompanied by a certificate of a Responsible Officer stating that such Projections were prepared in good faith based upon assumptions and that were believed by such Responsible Officer to be reasonable at the time made, it being understood and agreed that the Projections are not a guarantee of financial performance and actual results may differ from the Projections, and such differences may be material;

(c) Investor Reports; SEC Filings. Within five days after the same are sent, copies of all financial statements and reports that Holdings or the Borrower sends to the holders of any class of its debt securities or public equity securities and, within five days after the same are filed, copies of all financial statements and reports that Holdings or the Borrower may make to, or file with, the SEC;



(d) **Governmental Filings.** Upon request by the Administrative Agent, within five days after the same are sent or received, copies of all correspondence, reports, documents and other filings with any Governmental Authority regarding compliance with or maintenance of Governmental Approvals or Requirements of Law or that could reasonably be expected to have a material adverse effect on any of the Governmental Approvals or otherwise on the operations of the Group Members;

(e) **Borrowing Base Certificates.** Not later than 20 days after the end of each month and, during the existence of an Event of Default, at any other times reasonably requested by the Administrative Agent: (A) a Borrowing Base Certificate accompanied by such supporting detail and documentation as shall be requested by the Administrative Agent in its Permitted Discretion, (B) accounts receivable agings, aged by invoice date, (C) accounts payable agings, aged by invoice date, and outstanding or held check registers, if any, (D) a deferred revenue schedule, and (E) reconciliations of accounts receivable agings (aged by invoice date), transactions reports and general ledger;

(f) **Additional Information.** Promptly following any request therefor, such additional financial and other information regarding the operations, business affairs and financial condition of any Loan Party, or compliance with the terms of this Agreement, as any Lender may from time to time reasonably request.

### **6.3 Accounts Receivable.**

(a) **Schedules and Documents Relating to Accounts.** If requested by the Administrative Agent, the Borrower shall furnish the Administrative Agent with copies of all contracts, orders, invoices, and other similar documents, and all shipping instructions, delivery receipts, bills of lading, and other evidence of delivery, for any goods the sale or disposition of which gave rise to such Accounts of the Loan Parties. In addition, the Borrower shall deliver to the Administrative Agent, on its request, the originals of all instruments, chattel paper, security agreements, guarantees and other documents and property evidencing or securing any Accounts of the Loan Parties, in the same form as received, with all necessary endorsements, and copies of all credit memos.

(b) **Disputes.** The Borrower shall promptly notify the Administrative Agent of all disputes or claims relating to Accounts which allege or involve an amount in excess of \$250,000 in the first Borrowing Base Certificate required to be delivered after such dispute or claim arises. The Borrower and the other Loan Parties may forgive (completely or partially), compromise, or settle any Account for less than payment in full, or agree to do any of the foregoing at any time so long as (i) the Borrower does so in good faith, in a commercially reasonable manner, in the ordinary course of business, in arm's-length transactions, and reports the same to the Administrative Agent in the regular reports provided to the Administrative Agent; and (ii) after taking into account all such discounts, settlements and forgiveness, the aggregate amount of aggregate Revolving Extensions of Credit then outstanding will not exceed the Available Revolving Commitments in effect at such time; provided that upon the occurrence and during the continuance of a Default or Event of Default and upon written notice from the Administrative Agent, the Borrower and the other Loan Parties shall be prohibited from compromising or settling any Accounts.

**(c) Collection of Accounts.** Each Loan Party shall hold all payments on, and proceeds of, its Accounts in trust for the Administrative Agent and shall immediately deliver all such payments and proceeds to the Administrative Agent in their original form, duly endorsed, by depositing all proceeds of such Accounts into one or more lockbox accounts, or such other “blocked accounts” as the Administrative Agent may specify (which, for the avoidance of doubt, shall be maintained with SVB), in each case pursuant to a blocked account agreement in such form as the Administrative Agent may specify in its good faith business judgment; provided that (i) the Loan Parties shall open collection accounts at SVB and notify all applicable account debtors to remit payments in to the collection accounts at SVB and cause any payments made into collection accounts not located at SVB to be promptly swept into a SVB Account (ii), the Loan Parties shall close any collection account not located at SVB and (iii) the Borrower shall be permitted to use Remote Deposit Capture for checks with an aggregate monthly limit of \$250,000 to the extent such Remote Deposit Capture deposits are directed to an a SVB Account. Any such amounts actually paid to or collected by the Administrative Agent pursuant to this Section 6.3(c) shall be applied by the Administrative Agent to the reduction of the Revolving Loans then outstanding; provided that (A) if no Default or Event of Default has occurred and is continuing or (B) to the extent that (i) any amount of such payments or collections remains after the application by the Administrative Agent thereof to the payment in full of the Revolving Loans then outstanding, (ii) such remaining amount is not otherwise required to be applied to the Obligations pursuant to any other Section of this Agreement, and (iii) no Default or Event of Default has occurred and is continuing and (iv) the Required Lenders have not otherwise requested that such remaining amount be applied to the Obligations then outstanding, then such remaining amount shall be return by the Administrative Agent to the Borrower.

**(d) Verification.** The Administrative Agent may in a routine manner and in accordance with its customary practices, from time to time, verify directly with the respective Account Debtors the validity, amount and other matters relating to the Accounts, either in the name of a Loan Party or the Administrative Agent or such other name as the Administrative Agent may choose; provided that if no Default or Event of Default shall be continuing, the Borrower shall have the right to initiate any contact with any Account Debtor and to be present during any verification.

**(e) No Liability.** The Administrative Agent shall not be responsible or liable for any shortage or discrepancy in, damage to, or loss or destruction of, any goods, the sale or other disposition of which gives rise to an Account, or for any error, act, omission, or delay of any kind occurring in the settlement, failure to settle, collection or failure to collect any Account, or for settling any Account in good faith for less than the full amount thereof, nor shall the Administrative Agent be deemed to be responsible for any of the Loan Party’s obligations under any contract or agreement giving rise to an Account. Nothing herein shall, however, relieve the Administrative Agent from liability for its own gross negligence or willful misconduct.

**6.4 Payment of Material Governmental Obligations.** Pay, discharge or otherwise satisfy at or before maturity or before they become delinquent, as the case may be, all its material taxes, assessments and governmental charges or levies imposed upon it or its income or upon any properties belonging to it, except where the amount or validity thereof is currently being contested in good faith by appropriate proceedings and reserves in conformity with GAAP with respect thereto have been provided on the books of the relevant Group Member.

**6.5 Maintenance of Existence; Compliance.** (a)(i) Preserve, renew and keep in full force and effect its organizational existence and (ii) take all reasonable action to maintain or obtain all Governmental Approvals and all other rights, privileges and franchises necessary or desirable in the normal conduct of its business, except, in each case, as otherwise permitted by Section 7.4 and except, in the case of clause (ii) above, to the extent that failure to do so could not reasonably be expected to have a Material Adverse Effect; (b) comply with all Contractual Obligations (including with respect to leasehold interests of the Borrower) and Requirements of Law except to the extent that failure to comply therewith could not, in the aggregate, reasonably be expected to have a Material Adverse Effect; and (c) comply with all Governmental Approvals, and any term, condition, rule, filing or fee obligation, or other requirement related thereto, except to the extent that failure to do so could not reasonably be expected to have a Material Adverse Effect.

**6.6 Maintenance of Property; Insurance.** (a) To the extent commercially reasonable, each Loan Party shall keep all property useful and necessary in its business in good working order and condition, ordinary wear and tear and *force majeure* events excepted; (b) maintain with financially sound and reputable insurance companies property and liability insurance in at least such amounts and against at least such risks (but including in any event public liability, product liability and business interruption) as are usually insured against in the same general area by companies engaged in the same or a similar business or required by applicable Requirements of Law and in any event, unless otherwise agreed to in writing by the Administrative Agent in its Permitted Discretion, in at least such amounts, adequacy and scope as are in effect on the Closing Date; and (c) on a case by case basis, as required by the Administrative Agent in its Permitted Discretion, maintain foreign receivables insurance policy under which the Administrative Agent is named as beneficiary or is assigned rights to such claims, in form and substance and issued by an insurance company satisfactory to the Administrative Agent in its Permitted Discretion; provided that for the avoidance of doubt, foreign receivables insurance policies shall not be required with regard to Account Debtors organized under the laws of the following jurisdictions: (A) the UK, Italy, Spain, France, Germany, Canada, Mexico, Puerto Rico, Israel or Australia, Brazil, Chile, Denmark, the Netherlands, New Zealand, Norway, Philippines, Singapore, South Korea and the United Arab Emirates (other than an Account Debtor that is a Governmental Authority of the United Arab Emirates which shall be subject to clause (B) hereof) and (B) if supported by a Letter of Credit acceptable to the Administrative Agent in its sole discretion, China, United Arab Emirates (solely to the extent the Account Debtor is a Governmental Authority of the United Arab Emirates) and India and (C) other individual Account Debtors on a case by case basis approved by Administrative Agent in the Administrative Agent's sole discretion. The Administrative Agent may make a Revolving Loan to pay premiums to maintain such insurance if not paid by Borrowers prior to cancellation or termination of any policy.

## **6.7 Audits; Inspection of Property; Books and Records; Discussions.**

(a) At reasonable times, on three (3) Business Days' notice (provided that no notice is required if an Event of Default has occurred and is continuing), the Administrative Agent, or its agents, shall have the right to (i) inspect the Collateral and the right to audit any and all of any Loan Party's books and records including ledgers, federal, state and other tax returns, records regarding assets or liabilities, the Collateral, business operations or financial condition, and all computer programs or storage or any equipment containing such information, in each case, to the extent the Group Members are not prohibited by Requirements of Law from providing such access and permitting such disclosure; and (ii) to discuss the business, operations, properties and financial and other condition of the Group Members with officers and employees of the Group Members and with their independent certified public accountants (in which such officers and representatives of Group Members shall be present unless the Borrower otherwise consents). Unless an Event of Default shall have occurred and be continuing, such inspections and audits shall occur (i) no more than twice per fiscal year, at the expense of the Borrower pursuant to the following sentence, and (ii) as often as reasonably requested by the Administrative Agent in, at the expense of the Lenders. The foregoing inspections and audits, other than those under clause (ii) of the preceding sentence, shall be at Borrower's expense, and the charge therefor shall be approximately \$1,000 per person per day (or such higher amount as shall represent the Administrative Agent's then-current standard charge for the same), plus reasonable out-of-pocket expenses; and

(b) Keep proper books of records and account in which full, true and correct (in all material respects) entries in conformity in all material respects with GAAP and all Requirements of Law shall be made of all dealings and transactions in relation to its business and activities.

## **6.8 Notices.**

(a) Promptly after a Responsible Officer obtains knowledge thereof give written notice to the Administrative Agent and each Lender of:

(i) the occurrence of any Event of Default;

(ii) any (i) default or event of default under any Contractual Obligation of any Group Member or (ii) litigation, investigation or proceeding that may exist at any time between any Group Member and any Governmental Authority, that in either case, if not cured or if adversely determined, as the case may be, could reasonably be expected to have a Material Adverse Effect;

(iii) any litigation or proceeding affecting any Group Member (i) in which the amount involved is \$250,000 or more and not covered by insurance, (ii) in which injunctive or similar relief is sought or (iii) which relates to any Loan Document;

(iv) the following events, as soon as possible and in any event within 30 days after the Borrower knows thereof: (i) the occurrence of any Reportable Event with respect to any Pension Plan, a failure to make any required contribution to a Pension Plan or Multiemployer Plan, the creation of any Lien in favor of the PBGC or a Pension Plan or Multiemployer Plan or any withdrawal from, or the termination or Insolvency of, any

Multiemployer Plan or (ii) the institution of proceedings or the taking of any other action by the PBGC or the Borrower or any Commonly Controlled Entity or any Multiemployer Plan with respect to the withdrawal from, or the termination or Insolvency of, any Pension Plan or Multiemployer Plan;

(v) any material change in accounting policies or financial reporting practices by any Loan Party;

(vi) any development or event that has had or could reasonably be expected to have a Material Adverse Effect; and

(b) Advise the Administrative Agent promptly, in reasonable detail, of:

(i) any Lien (other than Liens permitted hereunder) on any of the Collateral; and

(ii) the occurrence of any other event which could reasonably be expected to have a material adverse effect on the aggregate value of the Collateral and the estimated (or actual, if available) amount of such loss or decline or on the security interests created pursuant to the Guarantee and Collateral Agreement.

Each notice pursuant to this Section 6.8 shall be accompanied by a statement of a Responsible Officer setting forth details of the occurrence referred to therein and stating what action the relevant Group Member proposes to take with respect thereto.

#### **6.9 Environmental Laws.**

(a) Comply in all material respects with, and take commercially reasonable steps to ensure compliance in all material respects by all tenants and subtenants, if any, with, all applicable Environmental Laws, and obtain and comply in all material respects with and maintain, and take commercially reasonable steps to ensure that all tenants and subtenants obtain and comply in all material respects with and maintain, any and all licenses, approvals, notifications, registrations or permits required by applicable Environmental Laws except, in each case, where any such failure to comply would not be reasonably expected to result in a Material Adverse Effect.

(b) Conduct and complete all investigations, studies, sampling and testing, and all remedial, removal and other actions required under Environmental Laws and promptly comply in all material respects with all lawful orders and directives of all Governmental Authorities regarding Environmental Laws.

**6.10 Operating Accounts.** Unless otherwise agreed by SVB, maintain the Loan Parties' and their Domestic Subsidiaries' primary U.S. depository and operating accounts and securities accounts with SVB and SVB's Affiliates for so long as SVB is a Lender.

#### **6.11 [Reserved].**

## 6.12 Additional Collateral, etc.

(a) With respect to any property (to the extent included in the definition of Collateral) acquired after the Closing Date by any Loan Party (other than (x) any property described in paragraph (b), (c) or (d) below, and (y) any property subject to a Lien expressly permitted by Section 7.3(g)) as to which the Administrative Agent, for the benefit of the Secured Parties, does not have a perfected Lien, promptly (and in any event within five Business Days, or such longer period as the Administrative Agent may agree) (i) execute and deliver to the Administrative Agent such amendments to the Guarantee and Collateral Agreement or such other documents as the Administrative Agent reasonably deems necessary or advisable to evidence that such Loan Party is a Guarantor and to grant to the Administrative Agent, for the benefit of the Secured Parties, a security interest in such property and (ii) take all actions necessary or advisable in the opinion of the Administrative Agent to grant to the Administrative Agent, for the ratable benefit of the Secured Parties, a perfected first priority (except as expressly permitted by Section 7.3) security interest and Lien in such property, including the filing of Uniform Commercial Code financing statements in such jurisdictions as may be required by the Guarantee and Collateral Agreement or by law or as may be requested by the Administrative Agent.

(b) With respect to any fee interest in any real property located in the United States having a value (together with improvements thereof) of at least \$100,000 acquired after the Closing Date by any Loan Party (other than any such real property subject to a Lien expressly permitted by Section 7.3(g)), promptly, (i) execute and deliver a first priority Mortgage, subject to Liens permitted by Section 7.3, in favor of the Administrative Agent, for the benefit of the Secured Parties, covering such real property, (ii) if requested by the Administrative Agent, provide the Lenders with (x) title and extended coverage insurance covering such real property in an amount at least equal to the purchase price of such real property (or such other amount as shall be reasonably specified by the Administrative Agent) as well as a current ALTA survey thereof, together with a surveyor's certificate, and (y) any consents or estoppels reasonably deemed necessary or advisable by the Administrative Agent in order to create a valid first Lien on the property, each of the foregoing in form and substance reasonably satisfactory to the Administrative Agent and (iii) if requested by the Administrative Agent, deliver to the Administrative Agent legal opinions relating to the matters described above, which opinions shall be in form and substance, and from counsel, reasonably satisfactory to the Administrative Agent.

(c) With respect to any new Wholly-Owned Subsidiary (other than an Immaterial Subsidiary) created or acquired after the Closing Date by any Group Member, promptly (i) execute and deliver to the Administrative Agent such amendments to the Guarantee and Collateral Agreement as the Administrative Agent deems necessary or advisable to grant to the Administrative Agent, for the benefit of the Secured Parties, a perfected first priority security interest in the Capital Stock of such new Subsidiary that is owned by any Loan Party, (ii) deliver to the Administrative Agent such documents and instruments as may be required to grant, perfect, protect and ensure the priority of such security interest, including but not limited to, the certificates representing such Capital Stock, together with undated stock powers, in blank, executed and delivered by a duly authorized officer of the relevant Group Member, (iii) cause such new Subsidiary (a) to become a party to the Guarantee and Collateral Agreement, (b) to take such actions reasonably necessary or advisable to grant to the Administrative Agent for the benefit of the Secured Parties a perfected first priority security

interest in the Collateral described in the Guarantee and Collateral Agreement, with respect to such new Subsidiary, including, without limitation, the filing of Uniform Commercial Code financing statements in such jurisdictions as may be required by the Guarantee and Collateral Agreement or by law or as may be reasonably requested by the Administrative Agent and (c) to deliver to the Administrative Agent a certificate of such Subsidiary, in a form reasonably satisfactory to the Administrative Agent, with appropriate insertions and attachments, and (iv) if requested by the Administrative Agent, deliver to the Administrative Agent legal opinions relating to the matters described above, which opinions shall be in form and substance, and from counsel, reasonably satisfactory to the Administrative Agent; provided that to the extent the opinion is in respect of an entity organized, or Collateral located, in a jurisdiction for which an opinion has been delivered on the Closing Date, an opinion substantially similar in form and substance to such opinion delivered on the Closing Date shall be deemed satisfactory to the Administrative Agent.

(d) Upon Administrative Agent's reasonable request, the Loan Parties shall use commercially reasonable efforts (which shall not require any Group Member to agree to any modification to any lease or to payment of any fees other than the landlord's legal or out-of-pocket costs in connection with negotiating the landlord's agreement or bailee letter) to obtain a landlord's agreement or bailee letter reasonably satisfactory in form and substance to the Administrative Agent, as applicable, from the lessor of each leased property or bailee with respect to any warehouse, processor or converter facility or other location where material Collateral is stored or located in the United States and United Kingdom. Such agreement or letter shall contain a waiver or subordination of all Liens or claims that the landlord or bailee may assert against the Collateral at that location, and shall otherwise be reasonably satisfactory in form and substance to the Administrative Agent. Except as could not reasonably be expected to have a Material Adverse Effect, each Loan Party shall timely and fully pay and perform its obligations under all leases and other agreements with respect to each leased location or public warehouse where any Collateral is or may be located. After the Closing Date, no real property or warehouse space shall be leased by any Loan Party and no Inventory shall be shipped to a processor or converter under arrangements established after the Closing Date, without the prior written notice to the Administrative Agent.

**6.13 Anti-Corruption Laws.** Conduct its business in compliance with all applicable anti-corruption laws and maintain policies and procedures designated to promote and achieve compliance with such laws.

**6.14 Use of Proceeds.** Use the proceeds of each credit extension only for the purposes specified in Section 4.16.

**6.15 Further Assurances.** Subject to the limitations on perfection set forth herein and in the other Loan Documents, execute any further instruments and take such further action as the Administrative Agent reasonably requests to perfect, protect, ensure the priority of or continue the Administrative Agent's Lien on the Collateral or to effect the purposes of this Agreement.

**SECTION 7**  
**NEGATIVE COVENANTS**

Holdings and the Borrower hereby jointly and severally agree that, until all Commitments have been terminated and the principal of and interest on each Loan, all fees and all other expenses or amounts payable under any Loan Document (other than contingent indemnification obligations) including, without limitation, obligations under Specified Swap Agreements and Bank Services Agreement unless the obligations under such agreements have been Cash Collateralized or otherwise secured to the satisfaction of the Administrative Agent and Qualified Counterparty or provider of such Bank Services, as applicable, shall have been paid in full and all Letters of Credit have been canceled or Cash Collateralized in accordance with Section 3 hereof or have expired and all amounts drawn thereunder have been reimbursed in full or Cash Collateralized in accordance with Section 3 hereof, neither Borrower nor Holdings shall, as to itself or any of its Subsidiaries, nor permit any of its Subsidiaries to, directly or indirectly:

**7.1 Financial Condition Covenants.**

**(a) Consolidated Fixed Charge Coverage Ratio.** Permit the Consolidated Fixed Charge Coverage Ratio as at the last day of any period of four consecutive fiscal quarters of the Borrower (commencing with the quarter ending December 31, 2017) to exceed 1.25:1.00.

**(b) Consolidated Leverage Ratio.** Permit the Consolidated Leverage Ratio as at the last day of any period of four consecutive fiscal quarters of the Borrower ending with any date set forth below to exceed the ratio set forth below opposite such period to be greater than:

<u>Trailing Four Quarter Period Ended</u>	<u>Maximum Consolidated Leverage Ratio</u>
December 31, 2017 through September 30, 2018	4.00:1.00
December 31, 2018 through March 31, 2019	3.75:1.00
June 30, 2019	3.50:1.00
September 30, 2019	3.25:1.00
December 31, 2019 through March 31, 2020	3.00:1.00
June 30, 2020	2.75:1.00
September 30, 2020 through December 31, 2020	2.50:1.00
March 31, 2021 through June 30, 2021	2.25:1.00
September 30, 2021	2.00:1.00
December 31, 2021 through March 30, 2022	1.75:1.00
June 30, 2022 and thereafter	1.50:1.00

**(c) Right to Cure Financial Covenants.** Notwithstanding anything to the contrary contained in this Section 7.1, in the event that the Borrower fails or reasonably believes it will fail to comply with the requirements of the financial covenants set forth in Section 7.1(a) and (b) (collectively, the “*Financial Covenants*”) until the date that is ten (10) days after the



day on which financial statements are to be delivered for the applicable fiscal quarter pursuant to Section 6.1(b) (provided the Borrower shall have ten (10) days after the day on which financial statements are to be delivered for the applicable fiscal year pursuant to Section 6.1(a) in connection with failure to comply with the Financial Covenants resulting from any adjustments contained in such audited financial statements) (the “**Cure Period**”), Borrower shall have the right to issue Capital Stock (other than Disqualified Stock) to equityholders of the Borrower as of the date of such Cure Amount contribution for cash or otherwise receive cash contributions to the capital of Borrower (collectively, the “**Cure Right**”), up to such amounts as are necessary to be in compliance with such Financial Covenants (the “**Cure Amount**”). In no event shall the Cure Amount be greater than the amount required for purposes of complying with the Financial Covenants as set forth herein. The Cure Amount will be used solely to prepay the Term Loans and shall be applied in accordance with Section 2.12(e). The Cure Right may be exercised not more than two (2) times in any four consecutive fiscal quarter period, and not more than three times in the aggregate prior to the Term Loan Maturity Date. Upon Administrative Agent’s receipt of the Cure Amount, the Financial Covenants shall be recalculated (for such period and for any subsequent period that includes the fiscal quarter in respect of which the Cure Right was exercised, but only for the purposes of calculating the Financial Covenants and not for any other purpose (including pricing, financial covenant based conditions or any basket with respect to the covenants contained in this Agreement) giving effect to the following *pro forma* adjustments: (i) Consolidated Interest Expense shall be decreased for the purpose of measuring 7.1(b) by an amount equal to the interest that would have accrued if such Cure Amount was paid twelve months prior to such actual prepayment date, (ii) Consolidated EBITDA shall be increased by not more than the lesser of the Cure Amount and \$5,000,000. Consolidated Total Debt shall not be deemed to be reduced by the portion of the Cure Amount used to prepay the Term Loans for the fiscal quarter for which the Cure Right was exercised or the subsequent three fiscal quarters. If after giving effect to the foregoing calculations, the Borrower is in compliance with the Financial Covenants, then the Borrower shall be deemed to have satisfied such Financial Covenants as of the relevant date of determination with the same effect as though there had been no failure to comply therewith at such date, and the applicable breach or default of the Financial Covenants that occurred shall be deemed cured for the purposes of this Agreement, and (iv) until the expiration of the Cure Period, so long as the Borrower has notified the Administrative Agent that it intends to exercise the Cure Right, neither the Administrative Agent nor any Lender shall accelerate the obligations or otherwise exercise any remedies available to it during the continuance of a Default or Event of Default arising as a result of the failure to comply with the Financial Covenants; *provided*, for the avoidance of doubt, that no Lender shall have any obligation to fund the Revolving Facility during such Cure Period.

**(d) Minimum Adjusted Quick Ratio.** Permit the Adjusted Quick Ratio, as at the last day of each month ending on any date set forth below to be less than the ratio set forth below opposite such date:

<u>Month Ended</u>	<u>Adjusted Quick Ratio</u>
November 30, 2017 and thereafter	1.25:1.00

**7.2 Indebtedness.** Create, issue, incur, assume, become liable in respect of or suffer to exist any Indebtedness, except:

(a) Indebtedness of any Loan Party pursuant to any Loan Document;

(b) Indebtedness of (i) the Borrower, Holdings or any Subsidiary to any Loan Party provided, (A) in each case such Indebtedness is subject to the Intercompany Subordination Agreement and (B) Indebtedness of any Subsidiary (which is not a Loan Party) to any Loan Party shall not exceed \$750,000 at any one time outstanding; or (ii) any Subsidiary (which is not a Loan Party) to any other Subsidiary (which is not a Loan Party);

(c) Guarantee Obligations incurred in the ordinary course of business by the Borrower, Holdings and their respective Subsidiaries of obligations of any Subsidiary Guarantor;

(d) Indebtedness outstanding on the date hereof and listed on Schedule 7.2(d) and any refinancings, refundings, renewals or extensions thereof (without shortening the maturity thereof or increasing the principal amount thereof except by an amount equal to accrued interest and premiums, fees and expenses);

(e) Indebtedness (including, without limitation, Capital Lease Obligations) secured by Liens permitted by Section 7.3(g) in an aggregate principal amount not to exceed \$500,000 at any one time outstanding and any refinancings, refundings, renewals or extensions thereof (without shortening the maturity thereof or increasing the principal amount thereof);

(f) Surety Indebtedness or other Indebtedness in respect of (i) appeal bonds or similar instruments, (ii) VAT bonds and duty deferment bonds and (iii) other similar bonds or similar instruments, workers' compensation claims, health, disability or other employee benefits and self-insurance obligations, in each case, in the ordinary course of business;

(g) endorsement of instruments or other payment items for deposit;

(h) unsecured Indebtedness of a (x) Loan Party (other than the Parent Guarantors) that is incurred on the date of the consummation of a Permitted Acquisition solely for the purpose of consummating such Permitted Acquisition, and (y) owing to sellers of assets or Capital Stock to a Loan Party that is incurred by the applicable Loan Party in connection with the consummation of one or more Permitted Acquisitions, so long as (i) the aggregate principal amount for all such unsecured Indebtedness does not exceed \$10,000,000 at any one time outstanding, (ii) no Event of Default has occurred and is continuing or would result therefrom, (iii) such unsecured Indebtedness is not incurred for working capital purposes, (iv) such unsecured Indebtedness does not mature prior to the date that is 12 months after the Term Loan Maturity Date, (v) such Indebtedness is subordinated in right of payment to the Obligations on terms and conditions reasonably satisfactory to the Administrative Agent, and (vi) is otherwise on terms and conditions (including all economic terms) reasonably acceptable to the Administrative Agent;

(i) Acquired Indebtedness in an amount not to exceed \$1,000,000 outstanding at any one time;

(j) Indebtedness owed to any Person providing property, casualty, liability, or other insurance to Holdings or any of its Subsidiaries, so long as the amount of such Indebtedness is not in excess of the amount of the unpaid cost of, and shall be incurred only to defer the cost of, such insurance for the year in which such Indebtedness is incurred and such Indebtedness is outstanding only during such year;

(k) the incurrence by Holdings or its Subsidiaries of Indebtedness under Swap Agreements that are incurred for the bona fide purpose of hedging the interest rate, commodity, or foreign currency risks associated with Holdings and its Subsidiaries' operations and not for speculative purposes;

(l) Indebtedness incurred in respect of credit cards, credit card processing services, debit cards, purchase cards (including so-called "procurement cards" or "P-cards"), netting or Bank Services, in each case, incurred in the ordinary course of business;

(m) unsecured Indebtedness of Holdings owing to employees, former employees, officers, former officers, directors or former directors (or any spouses, ex-spouses, or estates of any of the foregoing) incurred in connection with the repurchase by Holdings of the Capital Stock of Holdings that has been issued to such Persons, so long as (i) no Default or Event of Default has occurred and is continuing or would result from the incurrence of such Indebtedness, (ii) the aggregate amount of all such Indebtedness outstanding at any one time does not exceed \$500,000, and (iii) such Indebtedness is subordinated to the Obligations on terms and conditions reasonably acceptable to the Administrative Agent;

(n) contingent liabilities in respect of any indemnification obligation, adjustment of purchase price, non-compete, earn-out (including the Earnout Payments) or similar obligation of any Loan Party incurred in connection with the consummation of one or more Permitted Acquisitions or Dispositions permitted under Section 7.5;

(o) Indebtedness composing Investments permitted under Section 7.8;

(p) Indebtedness incurred in connection with the financing of insurance premiums;

(q) [reserved];

(r) additional Indebtedness of the Borrower, Holdings or their respective Subsidiaries in an aggregate principal amount not to exceed \$500,000 at any one time outstanding; and

(s) (i) purchase price adjustments in connection with Permitted Acquisitions, (ii) indemnity payments in connection with Permitted Acquisitions, (iii) Earn-Out Obligations, consistent with acquisitions of such nature and which are not disguised installment payments of the initial purchase price, (iv) Permitted Seller Debt, and (v) any DP Amount and Accrued DP Interest; provided that in each case, (A) no Default or Event of Default has occurred and is continuing both immediately before and immediately after giving effect to the incurrence of such Indebtedness, (B) at the time of incurrence thereof, the Loan Parties shall be in pro forma compliance with the financial covenants as of the last day of the most recently ended fiscal

quarter, it being understood that such covenants shall be determined on a Pro Forma Basis after giving effect to the incurrence of such Indebtedness, and (C) the sum of the amounts pursuant to Section 7.2(s)(i), (s)(ii), (s)(iii), (s)(iv) and (s)(v) attributable to any Permitted Acquisition plus the initial purchase price and all other consideration paid in connection with the Permitted Acquisitions, does not in the aggregate exceed the limit on consideration imposed by Section 7.8(n);

**7.3 Liens.** Create, incur, assume or suffer to exist any Lien upon any of its property, whether now owned or hereafter acquired, except:

(a) Liens for taxes, assessments or governmental charges or levies not yet due or delinquent or that are being contested in good faith by appropriate proceedings; provided that adequate reserves with respect thereto are maintained on the books of Borrower, Holdings or their respective Subsidiaries, as the case may be, in conformity with GAAP;

(b) carriers', warehousemen's, landlord's, mechanics', materialmen's, repairmen's or other like Liens arising in the ordinary course of business that are not overdue for a period of more than 30 days or that are being contested in good faith by appropriate proceedings;

(c) pledges or deposits in connection with workers' compensation, unemployment insurance and other social security legislation;

(d) deposits to secure the performance of bids, tenders, trade contracts (other than for borrowed money), leases, government contracts, statutory obligations, surety, stay, customs and appeal bonds, performance and return of money bonds, VAT bonds and duty deferment bonds and other obligations of a like nature incurred in the ordinary course of business;

(e) easements, rights-of-way, restrictions and other similar encumbrances incurred in the ordinary course of business that, in the aggregate, that do not materially interfere with the ordinary conduct of the business of the Borrower, Holdings or their respective Subsidiaries, as a whole and leases, subleases, licenses and rights-of-use granted to other and incurred in the ordinary course of business that, in the aggregate, that do not materially interfere with the ordinary conduct of the business of the Borrower, Holdings or their respective Subsidiaries, as a whole;

(f) Liens in existence on the date hereof listed on Schedule 7.3(f), securing Indebtedness permitted by Section 7.2(d); provided that no such Lien is spread to cover any additional property after the Closing Date and that the amount of Indebtedness secured thereby is not increased;

(g) Liens securing Indebtedness of the Borrower, Holdings or any other Subsidiary incurred pursuant to Section 7.2(e) to finance the acquisition of fixed or capital assets; provided that (i) such Liens shall be created within three months after the acquisition of such fixed or capital assets, (ii) such Liens do not at any time encumber any property other than the property financed by such Indebtedness and any improvements or replacements thereof and (iii) the amount of Indebtedness secured thereby is not increased;

**(h)** Liens securing the Obligations;

**(i)** as the result of a Permitted Acquisition, Liens on property or assets of a Person (other than any Equity Interests in any Person) existing at the time the assets of such Person are acquired or such Person is merged into or consolidated with the Borrower or any Subsidiary or becomes a Subsidiary of the Borrower or any Subsidiary Guarantor; provided that any such Lien was not created in contemplation of such asset purchase, merger, consolidation or investment and does not extend to any assets other than those acquired in such asset purchase and those assets of the Person merged into or consolidated with the Borrower or such Subsidiary or acquired by the Borrower or such Subsidiary;

**(j)** any interest or title of a lessor under any lease entered into by the Borrower, Holdings or any other Subsidiary in the ordinary course of its business and covering only the assets so leased;

**(k)** judgment Liens that do not constitute an Event of Default under Section 8(h) of this Agreement;

**(l)** deposits made in the ordinary course of business to secure liability for premiums to insurance carriers;

**(m)** Liens in favor of customs and revenue authorities arising as a matter of law to secure payment of custom duties in connection with the importation of goods;

**(n)** Liens arising out of conditional sale, title retention, consignment or similar arrangements for the sale of goods entered into by any Group Member in the ordinary course of business of such Group Member and in compliance with this Agreement;

**(o)** bankers' Liens, rights of setoff and other similar Liens existing solely with respect to cash and Cash Equivalents on deposit in one or more accounts maintained by any Group Member, in each case granted in the ordinary course of business in favor of the bank or banks with which such accounts are maintained, securing amounts owing to such bank with respect to cash management and operating account arrangements, including those involving pooled accounts and netting arrangements; provided that unless such Liens are non-consensual and arise by operation of Requirements of Law, in no case shall any such Liens secure (either directly or indirectly) the repayment of any Indebtedness;

**(p)** non-exclusive licenses of intellectual property or intellectual property rights granted by any Group Member in the ordinary course of business and not interfering in any material respect with the ordinary conduct of business of the Group Members;

**(q)** the filing of UCC financing statements solely as a precautionary measure in connection with operating leases or consignment of goods; and

**(r)** Liens not otherwise permitted by this Section, so long as the aggregate outstanding principal amount of obligations secured thereby does not exceed (as to Holdings and its Subsidiaries) \$150,000 at any one time.

**7.4 Fundamental Changes.** Enter into any merger, consolidation or amalgamation, or liquidate, wind up or dissolve itself (or suffer any liquidation or dissolution), or Dispose of all or substantially all of its property or business, except that:

(a) any Subsidiary of the Borrower or Holdings may be merged or consolidated with or into the Borrower or Holdings (provided that the Borrower or Holdings shall be the continuing or surviving corporation) or with or into any Guarantor (provided that such Guarantor shall be the continuing or surviving corporation);

(b) any Subsidiary of the Borrower or Holdings (other than the Borrower) may Dispose of any or all of its assets (i) to the Borrower, Holdings or a Guarantor (upon voluntary liquidation or otherwise) or (ii) pursuant to a Disposition permitted by Section 7.5; and

(c) any Investment expressly permitted by Section 7.8 may be structured as a merger, consolidation or amalgamation.

**7.5 Disposition of Property.** Dispose of any of its property, whether now owned or hereafter acquired, or, in the case of any Subsidiary of the Borrower or Holdings, issue or sell any shares of such Subsidiary's Capital Stock to any Person, except:

(a) the Disposition of obsolete, worn out, surplus or uneconomical property in the ordinary course of business, and the abandonment or Disposition of Intellectual Property that is no longer used or useful in the ordinary course of business of the Group Members;

(b) the sale of Inventory in the ordinary course of business;

(c) Dispositions permitted by clause (i) of Section 7.4(b);

(d) the sale or issuance of the Capital Stock of any Subsidiary of the Borrower to the Borrower, Holdings or to any Guarantor, or the sale or issuance of the Capital Stock of the Borrower to any Parent Guarantor;

(e) the use or transfer of money or Cash Equivalents in a manner that is not prohibited by the terms of this Agreement or the other Loan Documents;

(f) the non-exclusive licensing or sub-licensing of patents, trademarks, copyrights, and other Intellectual Property rights and the leasing or subleasing of real property, in each case, in the ordinary course of business;

(g) the Disposition of other property having a fair market value not to exceed \$750,000 in the aggregate for any fiscal year of the Borrower, provided that at the time of any such Disposition, no Event of Default shall have occurred and be continuing or would result from such Disposition; and provided further that the Net Cash Proceeds thereof are used to prepay the Term Loans to the extent required by Section 2.12(e); and

(h) the 2017 Dividend to the extent permitted hereunder.

provided, however, that any Disposition made pursuant to this Section 7.5 (other than Section 7.5(a)) shall be made in good faith on an arm's length basis for fair value. To the extent the Lenders required under Section 10.1 waive the provisions of this Section 7.5 with respect to the sale of any Collateral, or any Collateral is sold as permitted by this Section 7.5, such Collateral (unless sold to the Borrower or any Guarantor) shall be sold free and clear of the Liens created by the Security Documents, and the Administrative Agent shall take all actions it deems appropriate in order to effect the foregoing.

**7.6 Restricted Payments.** Make any payment or prepayment of principal of, premium, if any, or interest on, or redemption, purchase, retirement, defeasance (including in-substance or legal defeasance), sinking fund or similar payment with respect to any subordinated Indebtedness, Earn-Out Obligations, DP Amounts (including, in each case, any Accrued DP Interest), payments of any fees or expenses to the Permitted Investors, declare or pay any dividend (other than dividends payable solely in common stock of the Person making such dividend) on, or make any payment on account of, or set apart assets for a sinking or other analogous fund for, the purchase, redemption, defeasance, retirement or other acquisition of, any Capital Stock of any Group Member, whether now or hereafter outstanding, or make any other distribution in respect thereof, either directly or indirectly, whether in cash or property or in obligations of any Group Member (collectively, "**Restricted Payments**"), except that:

(a) any Subsidiary of a Loan Party may make Restricted Payments to any Loan Party (and, in the case of a Restricted Payment by a non-wholly owned Subsidiary, to Holdings, the Borrower and any other Loan Party and to each other owner of Capital Stock of such Subsidiary based on their relative ownership interests of the relevant class of Capital Stock);

(b) so long as no Default or Event of Default shall have occurred and be continuing, the Borrower or Holdings may, (i) purchase common stock or common stock options from present or former officers, directors or employees of any Group Member upon the death, disability, retirement, severance or termination of employment of such officer, director or employee; provided that the aggregate amount of payments under this clause (i) shall not exceed \$250,000 during any fiscal year of the Borrower, and (ii) pay Management Fees to the extent permitted by Section 7.11(d);

(c) the Borrower, the Borrower's Subsidiaries and the Parent Guarantors may pay dividends to permit Holdings to (i) pay corporate overhead expenses incurred in the ordinary course of business not to exceed \$100,000 in any fiscal year, (ii) pay any taxes that are due and payable by Holdings, any Parent Guarantor or the Borrower as part of a consolidated, affiliated, combined or unitary group and (iii) pay franchise taxes and other fees required to maintain the existence of Holdings or any Parent Guarantor;

(d) reimbursement of Sponsor for reasonable expenses expressly permitted by Section 7.11(d);

(e) the Loan Parties may pay the DP Amounts and amounts payable in respect of Permitted Seller Debt and Earn Out Obligations (including, in each case, any Accrued DP Interest) so long as, in each case, prior to and immediately after giving effect thereto, (i) no Event of Default has occurred and is continuing and (ii) the Loan Parties' Liquidity is not less than \$10,000,000; and

(f) the Loan Parties may make the 2017 Dividend on the Closing Date or substantially contemporaneously therewith.

**7.7 Use of Proceeds.** Use the proceeds of any Loan or extension of credit hereunder, whether directly or indirectly, and whether immediately, incidentally or ultimately, (a) to purchase or carry margin stock (within the meaning of Regulation U) or to extend credit to others for the purpose of purchasing or carrying margin stock or to refund indebtedness originally incurred for such purpose, in each case in violation of, or for a purpose which violates, or would be inconsistent with, Regulation T, Regulation U or Regulation X; (b) to finance an Unfriendly Acquisition; (c) to fund any activities of or business with any individual or entity, or in any Designated Jurisdiction, that, at the time of such funding, is the subject of Sanctions, or in any other manner that will result in a violation by any individual or entity (including any individual or entity participating in the transaction, whether as Lender, Agent, L/C Issuer, or otherwise) of Sanctions (or lend, contribute or otherwise make available such proceeds to any Subsidiary, joint venture partner or other individual or entity in violation of the foregoing); or (d) for any purpose which would breach the United States Foreign Corrupt Practices Act of 1977, the UK Bribery Act 2010 or other similar legislation in other jurisdictions.

**7.8 Investments.** Make any advance, loan, extension of credit (by way of guarantee or otherwise) or capital contribution to, or purchase any Capital Stock, bonds, notes, debentures or other debt securities of, or any assets constituting a business unit of, or make any other investment in, any Person (all of the foregoing, "**Investments**"), except:

(a) extensions of trade credit in the ordinary course of business;

(b) Investments in cash and Cash Equivalents;

(c) Guarantee Obligations permitted by Section 7.2;

(d) loans and advances to directors, officers and employees of any Group Member in the ordinary course of business (including for travel, entertainment and relocation expenses) in an aggregate amount for all Group Members not to exceed \$100,000 at any one time outstanding;

(e) [reserved];

(f) intercompany Investments by any Group Member in the Borrower, Holdings, Cayman Parent Guarantor or any Person that, prior to such investment, is a Subsidiary Guarantor to the extent required hereunder or after giving effect to such Investment will become a Subsidiary Guarantor; provided that the aggregate amount of Investments by any Group Member to any Immaterial Subsidiary shall not exceed \$750,000, plus intercompany charges required pursuant to transfer pricing agreements to the extent such agreements are permitted under Section 7.11;

(g) Investments in the ordinary course of business consisting of endorsements of negotiable instruments for collection or deposit;



(h) Investments received in settlement of amounts due to the Borrower, Holdings or any of their respective Subsidiaries effected in the ordinary course of business or owing to the Borrower, Holdings or any of their respective Subsidiaries as a result of Insolvency Proceedings involving an account debtor or upon the foreclosure or enforcement of any Lien in favor of the Borrower, Holdings or their respective Subsidiaries;

(i) any Group Member may (i) acquire and hold accounts receivables owing to any of them if created or acquired in the ordinary course of business and payable or dischargeable in accordance with customary terms, (ii) invest in, acquire and hold cash and Cash Equivalents, (iii) endorse negotiable instruments held for collection in the ordinary course of business or (iv) make lease, utility and other similar deposits in the ordinary course of business;

(j) Swap Agreements permitted pursuant to Section 7.2(k);

(k) Investments made by the Borrower or any Subsidiary as a result of consideration received in connection with a Disposition made in compliance with Section 7.5;

(l) Investments then existing when a Person becomes a Subsidiary or at the time such person merges or consolidates with the Borrower or any Subsidiary as permitted under Section 7.4;

(m) Permitted Acquisitions; and

(n) in addition to Investments otherwise expressly permitted by this Section 7.8, Investments by the Parent Guarantors, the Borrower or any of their respective Subsidiaries in an aggregate amount (valued at cost) not to exceed 250,000 in any fiscal year.

The amount of any Investment shall be the original cost of such Investment plus the cost of all additions thereto, without any adjustments for increases or decreases in value, or write-ups, write-downs or write-offs with respect to such Investment (other than adjustments for the repayment of, or the refund of capital with respect to, the original principal amount of any such Investment).

#### **7.9 [Reserved].**

**7.10 Optional Payments and Modifications of Certain Preferred Stock and Debt Instruments.** (a) Amend, modify, waive or otherwise change, or consent or agree to any amendment, modification, waiver or other change to, any of the terms of the Preferred Stock (i) that would provide for any cash redemption payment thereon prior to the date that is six months after the earlier of the Term Loan Maturity Date or the payment in full of the Obligations and termination of the Commitments, move to an earlier date the scheduled redemption date or increase the amount of any scheduled redemption payment or increase the rate or move to an earlier date any date for payment of dividends thereon or (ii) that would be otherwise materially adverse to any Lender or any other Secured Party; or (b) amend, modify, waive or otherwise change, or consent or agree to any amendment, modification, waiver or other change to, any of

the terms of any Indebtedness permitted by Section 7.2 (other than Indebtedness pursuant to any Loan Document) that would shorten the maturity (but only to the extent such shortening, would result in the maturity of such Indebtedness to be prior to three months after the later to occur of the Revolving Termination Date or the Term Loan Maturity Date) or increase the amount of any payment of principal thereof or the rate of interest thereon or shorten any date for payment of interest thereon or that would be otherwise materially adverse to any Lender or any other Secured Party.

**7.11 Transactions with Affiliates.** Enter into any transaction, including any purchase, sale, lease or exchange of property, the rendering of any service or the payment of any management, advisory or similar fees with any Affiliate (other than the Borrower, Holdings or any Guarantor) unless such transaction is (a) [reserved], (b) otherwise permitted under this Agreement, including, for the avoidance of doubt, the 2017 Dividend, (c) the payment of compensation and indemnities to officers and directors approved by the board of directors of Holdings, (d) (i) reimburse to the Sponsor, its Affiliates or any equity holder up to \$250,000 in the aggregate per year of reasonable and documented director fees, board travel expenses and other out of pocket expenses incurred with respect to Group Members and (ii) so long as no Default or Event of Default shall have occurred and is continuing and no Default or Event of Default would occur after giving effect thereto, Group Members may pay to the Sponsor, its Affiliates or any equity holder (A) fees pursuant to the Management Services Agreement in an aggregate amount not to exceed \$1,000,000 per year for Management Fees (the "**Management Fee Cap**"), provided that, if all or part of such Management Fees (other than the transaction fee referred to above) cannot be, or otherwise are not, paid during a given fiscal year, then the Management Fees for such year that are not paid during such fiscal year (the "**Deferred Fees**") shall be accrued, on a cumulative basis, and such Management Fees shall be payable in any subsequent fiscal year the Loan Parties choose; *provided further* that the amount of any such deferred Management Fees paid during any fiscal year shall not reduce the amount of Management Fees otherwise allowed to be paid for such fiscal year, and (B) the 2017 Management Fee; *provided* that immediately prior to and immediately after giving effect to the payment, in cash, of the 2017 Management Fee, the Loan Parties' Liquidity is not less than \$15,000,000, (e) transfer pricing arrangements on fair and reasonable terms entered into in the ordinary course of business from time to time among any of the Loan Parties or otherwise as set forth on Schedule 7.11, or (f) upon fair and reasonable terms no less favorable to the relevant Group Member than it would obtain in a comparable arm's length transaction with a Person that is not an Affiliate.

**7.12 Sale Leaseback Transactions.** Enter into any Sale Leaseback Transaction.

**7.13 Swap Agreements.** Enter into any Swap Agreement, except (a) Swap Agreements entered into to hedge or mitigate risks (including currency exchange risk) to which the Borrower, Holdings or any Subsidiary has actual exposure (other than those in respect of Capital Stock) and (b) Swap Agreements entered into to effectively cap, collar or exchange interest rates (from fixed to floating rates, from one floating rate to another floating rate or otherwise) with respect to any interest-bearing liability or investment of the Borrower, Holdings or any Subsidiary.

**7.14 Accounting Changes.** Make any material change in its (a) accounting policies or reporting practices, except as required by GAAP or permitted by the Administrative Agent and Required Lenders in their sole discretion, or (b) without the prior written consent of the Administrative Agent, fiscal year.

**7.15 Negative Pledge Clauses.** Enter into or suffer to exist or become effective any agreement that prohibits or limits the ability of any Group Member to create, incur, assume or suffer to exist any Lien upon any of its property or revenues, whether now owned or hereafter acquired, to secure its obligations under the Loan Documents to which it is a party, other than (a) this Agreement and the other Loan Documents, (b) any agreements governing any purchase money Liens or Capital Lease Obligations otherwise permitted hereby (in which case, any prohibition or limitation shall only be effective against the assets financed thereby), (c) as to transfers of assets, as may be provided in an agreement with respect to a sale of such assets permitted hereunder; (d) encumbrances or restrictions relating to joint ventures to the extent they are Investments permitted by Section 7.8 and (f) customary restrictions on the assignment of leases, licenses and other agreements.

**7.16 Clauses Restricting Subsidiary Distributions.** Enter into or suffer to exist or become effective any consensual encumbrance or restriction on the ability of any Subsidiary of the Borrower or Holdings to (a) make Restricted Payments in respect of any Capital Stock of such Subsidiary held by, or pay any Indebtedness owed to, the Borrower, Holdings or any other Subsidiary of the Borrower or Holdings, (b) make loans or advances to, or other Investments in, the Borrower, Holdings or any other Subsidiary of the Borrower or Holdings or (c) transfer any of its assets to the Borrower, Holdings or any other Subsidiary of the Borrower or Holdings, except for such encumbrances or restrictions existing under or by reason of (i) any restrictions existing under the Loan Documents, (ii) any restrictions with respect to a Subsidiary imposed pursuant to an agreement that has been entered into in connection with a Disposition permitted hereby of all or substantially all of the Capital Stock or assets of such Subsidiary, (iii) customary restrictions on the assignment of leases, licenses and other agreements, (iv) any restriction with respect to any Liens permitted hereunder or any other Loan Document; (v) as to transfers of assets, as may be provided in an agreement with respect to a sale of such assets; (vi) encumbrances or restrictions relating to joint ventures to the extent they are Investments permitted by Section 7.8; and (vii) restrictions of the nature referred to in clause (c) above under agreements governing purchase money liens or Capital Lease Obligations otherwise permitted hereby which restrictions are only effective against the assets financed thereby.

**7.17 Lines of Business.** Enter into any business, either directly or through any Subsidiary, except for those businesses in which the Borrower, Holdings and their respective Subsidiaries are engaged on the date of this Agreement or that are reasonably related, ancillary or incidental thereto.

**7.18 Anti-Terrorism Laws.** Conduct, deal in or engage in or permit any Affiliate or agent of any Loan Party within its control to conduct, deal in or engage in any of the following activities: (a) conduct any business or engage in any transaction or dealing with any person blocked pursuant to Executive Order No. 13224 (a "**Blocked Person**"), including the making or receiving any contribution of funds, goods or services to or for the benefit of any Blocked Person; (b) deal in, or otherwise engage in any transaction relating to, any property or interests in

property blocked pursuant to Executive Order No. 13224; or (c) engage in or conspire to engage in any transaction that evades or avoids, or has the purpose of evading or avoiding, or attempts to violate, any of the prohibitions set forth in Executive Order No. 13224 or the Patriot Act. The Borrower shall deliver to the Administrative Agent and the Lenders any certificate or other evidence reasonably requested from time to time by the Administrative Agent or any Lender confirming Borrower's compliance with this Section 7.18.

**7.19 Amendments to Organizational Agreements; Management Services Agreement.** No Loan Party shall (a) amend or permit any amendments to any Loan Party's organizational documents; (b) [reserved]; or (c) amend or permit any amendments or other modifications to the Management Services Agreement; in each case, in any manner adverse to the Administrative Agent and the Lenders, without the prior written consent of the Administrative Agent.

**7.20 Use of Proceeds.** Use the proceeds of any extension of credit hereunder, whether directly or indirectly, and whether immediately, incidentally or ultimately, to purchase or carry margin stock (within the meaning of Regulation U of the Board) or to extend credit to others for the purpose of purchasing or carrying margin stock or to refund indebtedness originally incurred for such purpose, in each case in violation of, or for a purpose which violates, or would be inconsistent with, Regulation T, U or X of the Board.

**7.21 Intercompany Indebtedness.** Make any payment, prepayment or repayment including, without limitation, interest payments, principal payments, or any other payments of any Pledged Intercompany Notes (as defined in the Intercompany Subordination Agreement) and other intercompany indebtedness; provided that Borrower or any Subsidiary Guarantor may make payments of Pledged Intercompany Notes and other intercompany indebtedness to the extent permitted by Section 4 of the Intercompany Subordination Agreement.

## SECTION 8 EVENTS OF DEFAULT

**8.1 Events of Default.** The occurrence of any of the following shall constitute an Event of Default:

(a) the Borrower shall fail to pay any principal of any Loan when due in accordance with the terms hereof; or the Borrower shall fail to pay any amount of interest on any Loan, or any other amount payable hereunder or under any other Loan Document (other than Bank Services Agreements), within three days after any such interest or other amount becomes due in accordance with the terms hereof; or

(b) any representation or warranty made or deemed made by any Loan Party herein or in any other Loan Document (other than Bank Services Agreements) or that is contained in any certificate, document or financial or other statement furnished by it at any time under or in connection with this Agreement (other than Bank Services Agreements) or any such other Loan Document shall prove to have been inaccurate in any material respect on or as of the date made or deemed made (or if any representation or warranty is expressly stated to have been made as of a specific date, inaccurate in any material respect as of such specific date); or

(c) (i) any Group Member shall default in the observance or performance of any agreement contained in Section 6.1, Sections 6.2(a), (e) and (f), Section 6.3(a), clause (i) or (ii) of Section 6.5(a), Section 6.6, 6.8, 6.10, 6.12 or Section 7 of this Agreement or (ii) an “**Event of Default**” under and as defined in any Mortgage shall have occurred; or

(d) any Group Member shall default in the observance or performance of any other agreement contained in this Agreement or any other Loan Document (other than (i) as provided in paragraphs (a) through (c) of this Section 8 or (ii) Bank Services Agreements), and such default shall continue unremedied or unwaived for a period of 30 days thereafter; or

(e) any Group Member shall (i) default in making any payment of any principal of any Indebtedness (including any Guarantee Obligation, but excluding the Loans) on the scheduled or original due date with respect thereto; or (ii) default in making any payment of any interest on any such Indebtedness beyond the period of grace, if any, provided in the instrument or agreement under which such Indebtedness was created; (iii) default in making any payment or delivery under any such Indebtedness constituting a Swap Agreement beyond the period of grace, if any, provided in such Swap Agreement; or (iv) default in the observance or performance of any other agreement or condition relating to any such Indebtedness or contained in any instrument or agreement evidencing, securing or relating thereto, or any other event shall occur or condition exist, and in each case shall continue beyond the period of grace provided in the instrument or agreement under which such Indebtedness was created, the effect of which default or other event or condition is to (x) cause, or to permit the holder or beneficiary of, or, in the case of any such Indebtedness constituting a Swap Agreement, counterparty under, such Indebtedness (or a trustee or agent on behalf of such holder, beneficiary, or counterparty) to cause, with the giving of notice if required, such Indebtedness to become due prior to its stated maturity or (in the case of any such Indebtedness constituting a Guarantee Obligation) to become payable or (in the case of any such Indebtedness constituting a Swap Agreement) to be terminated, or (y) to cause, with the giving of notice if required, any Group Member to purchase or redeem or make an offer to purchase or redeem such Indebtedness prior to its stated maturity; provided that, unless such Indebtedness constitutes a Specified Swap Agreement, a default, event or condition described in clause (i), (ii), (iii), or (iv) of this paragraph (e) shall not at any time constitute an Event of Default unless, at such time, one or more defaults, events or conditions of the type described in clauses (i), (ii), (iii), and (iv) of this paragraph (e) shall have occurred and be continuing with respect to Indebtedness the outstanding principal amount (and, in the case of Swap Agreements, other than Specified Swap Agreements, the Swap Termination Value) of which exceeds in the aggregate \$1,000,000;

(f) any Group Member (or the general partner of CaymanCo1) shall commence any case, proceeding or other action (each, an “**Insolvency Proceeding**”) (a) under any existing or future law of any jurisdiction, U.S. or foreign, relating to bankruptcy, insolvency, reorganization or relief of debtors, seeking to have an order for relief entered with respect to it, or seeking to adjudicate it a bankrupt or insolvent, or seeking reorganization, arrangement, adjustment, winding-up, liquidation, dissolution, composition or other relief with respect to it or its debts, or (b) seeking appointment of a receiver, trustee, custodian, conservator or other similar official for it or for all or any substantial part of its assets, or any Group Member (or the general partner of CaymanCo1) shall make a general assignment for the benefit of its creditors; or (ii) there shall be commenced against any Group Member (or the general

partner of CaymanCo1) any case, proceeding or other action of a nature referred to in clause (i) above that (a) results in the entry of an order for relief or any such adjudication or appointment, which order is not stayed or other similar relief is not granted under applicable state or federal law or (b) remains undismissed, undischarged or unbonded for a period of 60 days; or (iii) there shall be commenced against any Group Member (or the general partner of CaymanCo1) any case, proceeding or other action seeking issuance of a warrant of attachment, execution, distraint or similar process against all or any substantial part of its assets that results in the entry of an order for any such relief that shall not have been vacated, discharged, or stayed or bonded pending appeal within 60 days from the entry thereof; or (iv) any Group Member (or the general partner of CaymanCo1) shall take any corporate action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the acts set forth in clause (i), (ii), or (iii) above; or (v) any Group Member (or the general partner of CaymanCo1) shall generally not, or shall be unable to, or shall admit in writing its inability to, pay its debts as they become due; or (vi) a UK Insolvency Proceeding shall be commenced by or against any Group Member (or the general partner of CaymanCo1); or

**(g)** the Borrower or any Commonly Controlled Entity shall engage in any non-exempt “prohibited transaction” (as defined in Section 406 of ERISA or Section 4975 of the Code) involving any Plan, (ii) there shall be any failure to comply with the Pension Funding Rules, whether or not waived, or there shall arise any Lien in favor of the PBGC or a Plan on the assets of any Commonly Controlled Entity, (iii) a Reportable Event shall occur with respect to, or proceedings shall commence to have a trustee appointed, or a trustee shall be appointed, to administer or to terminate, any Pension Plan, which Reportable Event or commencement of proceedings or appointment of a trustee is, in the reasonable opinion of the Required Lenders, likely to result in the termination of such Pension Plan for purposes of Title IV of ERISA, (iv) any Pension Plan shall terminate for purposes of Title IV of ERISA, or (v) any Group Member or any Commonly Controlled Entity shall, or in the reasonable opinion of the Required Lenders is likely to, incur any liability in connection with a withdrawal from, or the Insolvency of a Multiemployer Plan; and in each case in clauses (i) through (v) above, such event or condition, together with all other such events or conditions, if any, could reasonably be expected to have a Material Adverse Effect; or

**(h)** one or more judgments or decrees entered against any Group Member involving in the aggregate a liability (not paid or fully covered by insurance as to which the relevant insurance company has not denied coverage) of \$1,000,000 or more shall not have been vacated, discharged, stayed or bonded pending appeal within 30 days from the entry thereof; or

**(i)** any of the Security Documents shall cease, for any reason, to be in full force and effect, or any Loan Party or any Affiliate of a Loan Party shall so assert, or any Lien created by any of the Security Documents shall cease to be enforceable and of the same effect and priority purported to be created thereby, in each case, with respect to Collateral with an aggregate fair market value in excess of \$150,000; or

**(j)** the guarantee contained in Section 2 of the Guarantee and Collateral Agreement shall cease, for any reason, to be in full force and effect or any Loan Party or any Affiliate of a Loan Party shall so assert; or

(k) [reserved]

(l) a Change of Control shall occur; or

(m) any Parent Guarantor shall (i) conduct, transact or otherwise engage in, or commit to conduct, transact or otherwise engage in, any business or operations other than its ownership of, and activities incidental to its ownership of the Capital Stock of the its respective Subsidiaries or (ii) incur, create, assume or suffer to exist any Indebtedness or other liabilities or financial obligations, except (w) Indebtedness incurred pursuant to Section 7.2, (x) nonconsensual obligations imposed by operation of law, (y) obligations pursuant to the Loan Documents to which it is a party and (z) obligations with respect to its Capital Stock.

**8.2 Remedies Upon Event of Default.** If any Event of Default occurs and is continuing, the Administrative Agent shall, at the request of, or may, with the consent of, the Required Lenders, take any or all of the following actions:

(a) if such event is an Event of Default specified in Section 8.1(f), the Commitments shall immediately terminate automatically and the Loans (with accrued interest thereon) and all other amounts owing under this Agreement and the other Loan Documents shall automatically immediately become due and payable, and

(b) if such event is any other Event of Default, any of the following actions may be taken: (i) with the consent of the Required Lenders, the Administrative Agent may, or upon the request of the Required Lenders, the Administrative Agent shall, by notice to the Borrower declare the Revolving Commitments, the Term Commitments and the L/C Commitment to be terminated forthwith, whereupon the Revolving Commitments, the Term Commitments and the L/C Commitments shall immediately terminate; (ii) with the consent of the Required Lenders, the Administrative Agent may, or upon the request of the Required Lenders, the Administrative Agent shall, by notice to the Borrower, declare the Loans (with accrued interest thereon) and all other amounts owing under this Agreement and the other Loan Documents to be due and payable forthwith, whereupon the same shall immediately become due and payable; and (iii) with the consent of the Required Lenders, the Administrative Agent may, or upon the request of the Required Lenders, the Administrative Agent shall exercise on behalf of itself, the Lenders and the Issuing Lender all rights and remedies available to it, the Lenders and the Issuing Lender under the Loan Documents. With respect to all Letters of Credit with respect to which presentment for honor shall not have occurred at the time of an acceleration pursuant to this paragraph, the Borrower shall Cash Collateralize an amount equal to the aggregate then undrawn and unexpired amount of such Letters of Credit. Amounts so Cash Collateralized shall be applied by the Administrative Agent to the payment of drafts drawn under such Letters of Credit, and the unused portion thereof after all such Letters of Credit shall have expired or been fully drawn upon, if any, shall be applied to repay other obligations of the Borrower and the other Loan Parties hereunder and under the other Loan Documents in accordance with Section 8.3. After all such Letters of Credit shall have expired or been fully drawn upon and all amounts drawn thereunder have been reimbursed in full and all other Obligations of the Borrower and the other Loan Parties shall have been paid in full, the balance, if any, of the funds having been so Cash Collateralized shall be returned to the Borrower (or such other Person as may be lawfully entitled thereto). Except as expressly provided above in this Section 8.2, presentment, demand, protest and all other notices of any kind are hereby expressly waived by the Borrower.

**8.3 Application of Funds.** After the exercise of remedies provided for in Section 8.2, any amounts received by the Administrative Agent on account of the Obligations shall be applied by the Administrative Agent in the following order:

First, to the payment of that portion of the Obligations constituting fees, indemnities, expenses and other amounts (including without limitation, fees, charges and disbursements of counsel to the Administrative Agent and amounts payable under Sections 2.18, 2.19 and 2.20) payable to the Administrative Agent in its capacity as such (including interest thereon);

Second, to payment of that portion of the Obligations constituting fees, indemnities and other amounts (other than principal, interest and Letter of Credit fees set forth in Section 3.3(a)(i)) payable to the Lenders and the Issuing Lender (including reasonable fees, charges and disbursements of counsel to the respective Lenders and the Issuing Lender and amounts payable under Sections 2.18, 2.19 and 2.20), ratably among them in proportion to the respective amounts described in this clause Second payable to them;

Third, to payment of that portion of the Obligations constituting accrued and unpaid Issuing Lender Fees, Letter of Credit Fronting Fees and interest on the Loans, L/C Disbursements which have not yet been converted into Revolving Loans and other Obligations, ratably among the Lenders and the Issuing Lender in proportion to the respective amounts described in this clause Third payable to them;

Fourth, to payment of that portion of the Obligations constituting unpaid principal of the Loans, L/C Disbursements which have not yet been converted into Revolving Loans and other Obligations, ratably among the Lenders and the Issuing Lender in proportion to the respective amounts described in this clause Fourth held by them;

Fifth, to the Administrative Agent for the account of the Issuing Lender, to Cash Collateralize that portion of the L/C Exposure comprised of the aggregate undrawn amount of Letters of Credit pursuant to Section 3.10;

Sixth, to the payment of Obligations arising under any Specified Swap Agreement, ratably among the Qualified Counterparties in proportion to the respective amounts described in this clause Sixth held by them; and

Last, the balance, if any, after all of the Obligations (including Obligations arising under Bank Services Agreements) have been indefeasibly paid in full, to the Borrower or as otherwise required by Law.

Subject to Section 3.4, amounts used to Cash Collateralize the aggregate undrawn amount of Letters of Credit pursuant to clause Fifth above shall be applied to satisfy drawings under such Letters of Credit in accordance with Section 8.2(b) as they occur. Subject to Sections 3.4, 3.5 and 3.10, amounts used to Cash Collateralize the aggregate undrawn amount of Letters of Credit pursuant to clause Fifth above shall be applied to satisfy drawings under such Letters of Credit as they occur. If any amount remains on deposit as Cash Collateral after all Letters of Credit have either been fully drawn or expired, such remaining amount shall be applied to the other obligations, if any, in the order set forth above.



Notwithstanding the foregoing, no Excluded Swap Obligation of any Guarantor shall be paid with amounts received from such Guarantor or from any Collateral in which such Guarantor has granted to the Administrative Agent a Lien (for the ratable benefit of the Secured Parties) pursuant to the Guarantee and Collateral Agreement; provided, however, that each party to this Agreement hereby acknowledges and agrees that appropriate adjustments shall be made by the Administrative Agent (which adjustments shall be controlling in the absence of manifest error) with respect to payments received from other Loan Parties to preserve the allocation of such payments to the satisfaction of the Obligations in the order otherwise contemplated in this Section 8.3.

## SECTION 9 THE ADMINISTRATIVE AGENT

### 9.1 Appointment and Authority.

(a) Each of the Lenders hereby irrevocably appoints SVB to act on its behalf as the Administrative Agent hereunder and under the other Loan Documents and authorizes the Administrative Agent to take such actions on its behalf and to exercise such powers as are delegated to the Administrative Agent by the terms hereof or thereof, together with such actions and powers as are reasonably incidental thereto.

(b) The provisions of this Section 9 (excluding Section 9.9) are solely for the benefit of the Administrative Agent, the Lenders and the Issuing Lender, and neither the Borrower nor any other Loan Party shall have rights as a third party beneficiary of any of such provisions. Notwithstanding any provision to the contrary elsewhere in this Agreement, the Administrative Agent shall not have any duties or responsibilities to any Lender or any other Person, except those expressly set forth herein, or any fiduciary relationship with any Lender, and no implied covenants, functions, responsibilities, duties, obligations or liabilities shall be read into this Agreement or any other Loan Document or otherwise exist against the Administrative Agent. It is understood and agreed that the use of the term “agent” herein or in any other Loan Documents (or any other similar term) with reference to the Administrative Agent is not intended to connote any fiduciary or other implied (or express) obligations arising under agency doctrine of any applicable law. Instead such term is used as a matter of market custom, and is intended to create or reflect only an administrative relationship between contracting parties.

(c) Subject to the appointment of the Security Trustee to act as security trustee for the Secured Parties for purposes of acquiring, holding and enforcing any Liens on Collateral granted by any of the Loan Parties to secure any of the Obligations pursuant to the terms of the Security Trust Deed, the Administrative Agent shall also act as the collateral agent under the Loan Documents, and each of the Lenders (in their respective capacities as a Lender and, as applicable, Qualified Counterparty, or provider of Bank Services) hereby irrevocably (i) authorizes the Administrative Agent to enter into all other Loan Documents, as applicable,

including the Guarantee and Collateral Agreement, any other Security Documents and any subordination agreements, and (ii) appoints and authorizes the Administrative Agent to act as the agent of the Secured Parties for purposes of acquiring, holding and enforcing any and all Liens on Collateral granted by any of the Loan Parties to secure any of the Obligations, together with such powers and discretion as are reasonably incidental thereto. The Administrative Agent, as collateral agent and any co-agents, sub-agents and attorneys-in-fact appointed by the Administrative Agent pursuant to Section 9.2 for purposes of holding or enforcing any Lien on the Collateral (or any portion thereof) granted under the Security Documents, or for exercising any rights and remedies thereunder at the direction of the Administrative Agent, shall be entitled to the benefits of all provisions of this Section 9 and Section 10 (including Section 9.7, as though such co-agents, sub-agents and attorneys-in-fact were the collateral agent under the Loan Documents) as if set forth in full herein with respect thereto. Without limiting the generality of the foregoing, the Administrative Agent is further authorized on behalf of all the Lenders, without the necessity of any notice to or further consent from the Lenders, from time to time to take any action, or permit any co-agents, sub-agents and attorneys-in-fact appointed by the Administrative Agent to take any action, with respect to any Collateral or the Loan Documents which may be necessary to perfect and maintain perfected the Liens upon any Collateral granted pursuant to any Loan Document.

**9.2 Delegation of Duties.** The Administrative Agent may perform any and all of its duties and exercise its rights and powers hereunder or under any other Loan Document by or through any one or more sub-agents appointed by the Administrative Agent. The Administrative Agent and any such sub-agent may perform any and all of its duties and exercise its rights and powers by or through their respective Related Parties. The exculpatory provisions of this Section 9 shall apply to any such sub-agent and to the Related Parties of the Administrative Agent and any such sub-agent, and shall apply to their respective activities in connection with the syndication of the credit facilities provided for herein as well as activities as the Administrative Agent. The Administrative Agent shall not be responsible for the negligence or misconduct of any sub-agents except to the extent that a court of competent jurisdiction determines in a final and nonappealable judgment that the Administrative Agent acted with gross negligence or willful misconduct in the selection of such sub agents.

**9.3 Exculpatory Provisions.** The Administrative Agent shall have no duties or obligations except those expressly set forth herein and in the other Loan Documents, and its duties hereunder and thereunder shall be administrative in nature. Without limiting the generality of the foregoing, the Administrative Agent shall not:

(a) be subject to any fiduciary or other implied duties, regardless of whether any Default or any Event of Default has occurred;

(b) have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated hereby or by the other Loan Documents that the Administrative Agent is required to exercise as directed in writing by the Required Lenders (or such other number or percentage of the Lenders as shall be expressly provided for herein or in the other Loan Documents), as applicable; provided that the Administrative Agent shall not be required to take any action that, in its opinion or the opinion of its counsel, may expose the Administrative Agent to liability or that is contrary to

any Loan Document or applicable law, including for the avoidance of doubt any action that may be in violation of the automatic stay under any existing or future law of any jurisdiction, U.S. or foreign, relating to bankruptcy, insolvency, reorganization or relief of debtors or that may effect a forfeiture, modification or termination of property of a Defaulting Lender in violation of any such laws; and

(c) except as expressly set forth herein and in the other Loan Documents, have any duty to disclose, and the Administrative Agent shall not be liable for the failure to disclose, any information relating to the Borrower or any of its Affiliates that is communicated to or obtained by any Person serving as the Administrative Agent or any of its Affiliates in any capacity.

The Administrative Agent shall not be liable for any action taken or not taken by it (i) with the consent or at the request of the Required Lenders (or such other number or percentage of the Lenders as shall be necessary, or as the Administrative Agent shall believe in good faith shall be necessary, under the circumstances as provided in Section 8.2 and Section 10.1), or (ii) in the absence of its own gross negligence or willful misconduct, as determined by a court of competent jurisdiction by final and nonappealable judgment.

The Administrative Agent shall not be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with this Agreement or any other Loan Document, (ii) the contents of any certificate, report or other document delivered hereunder or thereunder or in connection herewith or therewith, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth herein or therein or the occurrence of any Default or Event of Default, (iv) the validity, enforceability, effectiveness or genuineness of this Agreement, any other Loan Document or any other agreement, instrument or document or (v) the satisfaction of any condition set forth in Section 5 or elsewhere herein, other than to confirm receipt of items expressly required to be delivered to the Administrative Agent.

**9.4 Reliance by Administrative Agent.** The Administrative Agent shall be entitled to rely upon, and shall not incur any liability for relying upon, any notice, request, certificate, consent, statement, instrument, document or other writing (including any electronic message, internet or intranet website posting or other distribution) believed by it to be genuine and to have been signed, sent or otherwise authenticated by the proper Person. The Administrative Agent also may rely upon any statement made to it orally or by telephone and believed by it to have been made by the proper Person, and shall not incur any liability for relying thereon. In determining compliance with any condition hereunder to the making of a Loan, or the issuance, extension, or renewal of a Letter of Credit, that by its terms must be fulfilled to the satisfaction of a Lender, the Administrative Agent may presume that such condition is satisfactory to such Lender unless the Administrative Agent shall have received notice to the contrary from such Lender prior to the making of such Loan or the issuance of such Letter of Credit. The Administrative Agent may consult with legal counsel (who may be counsel for any of the Loan Parties), independent accountants and other experts selected by it, and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts. The Administrative Agent may deem and treat the payee of any Note as the owner thereof for all purposes unless a written notice of assignment, negotiation or transfer thereof shall

have been filed with the Administrative Agent. The Administrative Agent shall be fully justified in failing or refusing to take any action under this Agreement or any other Loan Document unless it shall first receive such advice or concurrence of the Required Lenders (or such other number or percentage of Lenders as shall be provided for herein or in the other Loan Documents) as it deems appropriate or it shall first be indemnified to its satisfaction by the Lenders against any and all liability and expense that may be incurred by it by reason of taking or continuing to take any such action. The Administrative Agent shall in all cases be fully protected in acting, or in refraining from acting, under this Agreement and the other Loan Documents in accordance with a request of the Required Lenders (or such other number or percentage of Lenders as shall be provided for herein or in the other Loan Documents), and such request and any action taken or failure to act pursuant thereto shall be binding upon the Lenders and all future holders of the Loans.

**9.5 Notice of Default.** The Administrative Agent shall not be deemed to have knowledge or notice of the occurrence of any Default or Event of Default unless the Administrative Agent has received notice from a Lender, the Parent Guarantors, or the Borrower referring to this Agreement, describing such Default or Event of Default and stating that such notice is a “*notice of default.*” In the event that the Administrative Agent receives such a notice, the Administrative Agent shall give notice thereof to the Lenders. The Administrative Agent shall take such action with respect to such Default or Event of Default as shall be reasonably directed by the Required Lenders (or, if so specified by this Agreement, all Lenders); provided that unless and until the Administrative Agent shall have received such directions, the Administrative Agent may (but shall not be obligated to) take such action or refrain from taking such action with respect to such Default or Event of Default as it shall deem advisable in the best interests of the Lenders.

**9.6 Non-Reliance on Administrative Agent and Other Lenders.** Each Lender expressly acknowledges that neither the Administrative Agent nor any of its officers, directors, employees, agents, attorneys in fact or affiliates has made any representations or warranties to it and that no act by the Administrative Agent hereafter taken, including any review of the affairs of a Group Member or any affiliate of a Group Member, shall be deemed to constitute any representation or warranty by the Administrative Agent to any Lender. Each Lender represents to the Administrative Agent that it has, independently and without reliance upon the Administrative Agent or any other Lender or any of their Related Parties, and based on such documents and information as it has deemed appropriate, made its own appraisal of and investigation into the business, operations, property, financial and other condition and creditworthiness of the Group Members and their affiliates and made its own credit analysis and decision to make its Loans hereunder and enter into this Agreement. Each Lender also agrees that it will, independently and without reliance upon the Administrative Agent or any other Lender or any of their Related Parties, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit analysis, appraisals and decisions in taking or not taking action under or based upon this Agreement, the other Loan Documents, or any related agreement or any document furnished hereunder or thereunder, and to make such investigation as it deems necessary to inform itself as to the business, operations, property, financial and other condition and creditworthiness of the Group Members and their affiliates. Except for notices, reports and other documents expressly required to be furnished to the Lenders by the Administrative Agent hereunder, the Administrative Agent shall have no duty or

responsibility to provide any Lender with any credit or other information concerning the business, operations, property, condition (financial or otherwise), prospects or creditworthiness of any Group Member or any affiliate of a Group Member that may come into the possession of the Administrative Agent or any of its officers, directors, employees, agents, attorneys in fact or affiliates.

**9.7 Indemnification.** Each of the Lenders agrees to indemnify the Administrative Agent, the Issuing Lender and each of their Related Parties in its capacity as such (to the extent not reimbursed by Holdings, the Borrower or any other Loan Party and without limiting the obligation of Holdings, the Borrower or any other Loan Party to do so, according to its Aggregate Exposure Percentage in effect on the date on which indemnification is sought under this Section 9.7 (or, if indemnification is sought after the date upon which the Commitments shall have terminated and the Loans shall have been paid in full, in accordance with its Aggregate Exposure Percentage immediately prior to such date), from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind whatsoever that may at any time (whether before or after the payment of the Loans) be imposed on, incurred by or asserted against the Administrative Agent or such other Person in any way relating to or arising out of, the Commitments, this Agreement, any of the other Loan Documents or any documents contemplated by or referred to herein or therein or the transactions contemplated hereby or thereby or any action taken or omitted by the Administrative Agent or such other Person under or in connection with any of the foregoing and any other amount not reimbursed by any Loan Party; provided that no Lender shall be liable for the payment of any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements that are found by a final and nonappealable decision of a court of competent jurisdiction to have resulted primarily from the Administrative Agent's or such other Person's gross negligence or willful misconduct and that with respect to such unpaid amounts owed to any Issuing Lender solely in its capacity as such, only the Revolving Lenders shall be required to pay such unpaid amounts, such payment to be made severally among them based on such Revolving Lenders' Revolving Percentage (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought). The agreements in this Section 9.7 shall survive the payment of the Loans and all other amounts payable hereunder.

**9.8 Agent in Its Individual Capacity.** The Person serving as the Administrative Agent hereunder shall have the same rights and powers in its capacity as a Lender as any other Lender and may exercise the same as though it were not the Administrative Agent and the term "Lender" or "Lenders" shall, unless otherwise expressly indicated or unless the context otherwise requires, include each such Person serving as the Administrative Agent hereunder in its individual capacity. Such Person and its Affiliates may accept deposits from, lend money to, act as the financial advisor or in any other advisory capacity for and generally engage in any kind of business with the Borrower, Holdings or any Subsidiary or other Affiliate thereof as if such Person were not the Administrative Agent hereunder and without any duty to account therefor to the Lenders.

**9.9 Successor Administrative Agent.** The Administrative Agent may at any time give notice of its resignation to the Lenders and the Borrower. Upon receipt of any such notice of resignation, the Required Lenders shall have the right, in consultation with and with the consent of the Borrower (which consent shall not be unreasonably withheld, conditioned or delayed; provided that no consent shall be required during the continuance of an Event of Default); , to appoint a successor, or an Affiliate of any such bank with an office in the State of New York. If no such successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within 30 days after the retiring Administrative Agent gives notice of its resignation, then the retiring Administrative Agent may on behalf of the Lenders, appoint a successor Administrative Agent meeting the qualifications set forth above; provided that if the retiring Administrative Agent shall notify the Borrower and the Lenders that no qualifying Person has accepted such appointment, then such resignation shall nonetheless become effective in accordance with such notice and (1) the retiring Administrative Agent shall be discharged from its duties and obligations hereunder and under the other Loan Documents (except that in the case of any collateral security held by the Administrative Agent on behalf of the Secured Parties under any of the Loan Documents, the retiring Administrative Agent shall continue to hold such collateral security until such time as a successor Administrative Agent is appointed and such collateral security is assigned to such successor Administrative Agent) and (2) except for any indemnity payments owed to the retiring Administrative Agent, all payments, communications and determinations provided to be made by, to or through the Administrative Agent shall instead be made by or to each Lender directly, until such time as the Required Lenders appoint a successor Administrative Agent as provided for above in this paragraph. Upon the acceptance of a successor's appointment as Administrative Agent hereunder, such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring (or retired) Administrative Agent (other than any rights to indemnity payments owed to the retiring Administrative Agent), and the retiring Administrative Agent shall be discharged from all of its duties and obligations hereunder or under the other Loan Documents (if not already discharged therefrom as provided above in this paragraph). The fees payable by the Borrower to a successor Administrative Agent shall be the same as those payable to its predecessor unless otherwise agreed between the Borrower and such successor. After the retiring Administrative Agent's resignation hereunder and under the other Loan Documents, the provisions of Section 9 and Section 10.5 shall continue in effect for the benefit of such retiring Administrative Agent, its sub-agents and their respective Related Parties in respect of any actions taken or omitted to be taken by any of them while the retiring Administrative Agent was acting as the Administrative Agent.

**9.10 Collateral and Guaranty Matters.** The Lenders irrevocably authorize the Administrative Agent, at its option and in its discretion,

(a) to release any Lien on any Collateral or other property granted to or held by the Administrative Agent under any Loan Document (i) upon termination of the Commitments and payment in full of all Obligations (other than contingent indemnification and reimbursement obligations) and the expiration or termination of all Letters of Credit (other than Letters of Credit as to which other arrangements satisfactory to the Administrative Agent and the applicable Issuing Lender shall have been made), including, without limitation, obligations under Specified Swap Agreement and Bank Services Agreement unless the obligations under such agreements have been cash collateralized or otherwise secured to the satisfaction of the Administrative Agent and any Qualified Counterparty or provider of such Bank Services, as applicable, (ii) that is sold or to be sold, disposed or to be disposed as part of or in connection with any sale or disposition permitted hereunder or under any other Loan Document, or (iii) subject to Section 10.1, if approved, authorized or ratified in writing by the Required Lenders;

(b) to subordinate or release any Lien on any Collateral or other property granted to or held by the Administrative Agent under any Loan Document to the holder of any Lien on such property that is permitted by Section 7.3(g); and

(c) to release any Guarantor from its obligations under the Guarantee and Collateral Agreement if such Person ceases to be a Subsidiary as a result of a transaction permitted hereunder.

Upon request by the Administrative Agent at any time, the Required Lenders will confirm in writing the Administrative Agent's authority to release or subordinate its interest in particular types or items of property, or to release any Guarantor from its obligations under the guaranty pursuant to this Section 9.10.

The Administrative Agent shall not be responsible for or have a duty to ascertain or inquire into any representation or warranty regarding the existence, value or collectability of the Collateral, the existence, priority or perfection of the Administrative Agent's Lien thereon, or any certificate prepared by any Loan Party in connection therewith, nor shall the Administrative Agent be responsible or liable to the Lenders for any failure to monitor or maintain any portion of the Collateral.

Notwithstanding anything contained in any Loan Document, no Secured Party shall have any right individually to realize upon any of the Collateral or to enforce any guaranty of the Obligations (including any such guaranty provided by the Guarantors pursuant to the Guarantee and Collateral Agreement), it being understood and agreed that all powers, rights and remedies under the Loan Documents may be exercised solely by the Administrative Agent on behalf of the Secured Parties in accordance with the terms thereof; provided that, for the avoidance of doubt, in no event shall a Secured Party be restricted hereunder from filing a proof of claim on its own behalf during the pendency of a proceeding relative to any Loan Party under any Debtor Relief Law or any other judicial proceeding. In the event of a foreclosure by the Administrative Agent on any of the Collateral pursuant to a public or private sale or other disposition, the Administrative Agent or any Secured Party may be the purchaser or licensor of any or all of such Collateral at any such sale or other disposition, and the Administrative Agent, as agent for and representative of such Secured Party (but not any Lender or Lenders in its or their respective individual capacities unless the Required Lenders shall otherwise agree in writing) shall be entitled, for the purpose of bidding and making settlement or payment of the purchase price for all or any portion of the Collateral sold at any such public sale, to use and apply any of the Obligations as a credit on account of the purchase price for any Collateral payable by the Administrative Agent on behalf of the Secured Parties at such sale or other disposition. Each Secured Party, whether or not a party hereto, will be deemed, by its acceptance of the benefits of the Collateral and of the guarantees of the Obligations provided by the Loan Parties under the Guarantee and Collateral Agreement, to have agreed to the foregoing provisions. In furtherance of the foregoing, and not in limitation thereof, no Specified Swap Agreement and no Bank Services Agreement, the Obligations under which constitute Obligations, will create (or be deemed to create) in favor of any Secured Party that is a party thereto any rights in connection with the management or release of any Collateral or of the Obligations of any Loan Party under

any Loan Document except as expressly provided herein or in the Guarantee and Collateral Agreement. By accepting the benefits of the Collateral and of the guarantees of the Obligations provided by the Loan Parties under the Guarantee and Collateral Agreement, any Secured Party that is a Qualified Counterparty or provider of Bank Services shall be deemed to have appointed the Administrative Agent to serve as administrative agent and collateral agent under the Loan Documents and to have agreed to be bound by the Loan Documents as a Secured Party thereunder, subject to the limitations set forth in this paragraph.

**9.11 Proofs of Claim.** In case of the pendency of any Insolvency Proceeding or any other judicial proceeding relative to any Loan Party, the Administrative Agent (irrespective of whether the principal of any Loan or Obligation in respect of any Letter of Credit shall then be due and payable as herein expressed or by declaration or otherwise and irrespective of whether the Administrative Agent shall have made any demand on the Borrower) shall be entitled and empowered (but not obligated), by intervention in such proceeding or otherwise:

(a) to file and prove a claim for the whole amount of the principal and interest owing and unpaid in respect of the Loans, Obligations in respect of any Letter of Credit, and all other Obligations that are owing and unpaid and to file such other documents as may be necessary or advisable to have the claims of the Lenders and the Administrative Agent (including any claim for the reasonable compensation, expenses, disbursements and advances of the Lenders and the Administrative Agent and their respective agents and counsel and all other amounts due the Lenders and the Administrative Agent under Sections 2.9 and 10.5) allowed in such judicial proceeding; and

(b) to collect and receive any monies or other property payable or deliverable on any such claims and to distribute the same;

and any custodian, receiver, assignee, trustee, liquidator, sequestrator or other similar official in any such judicial proceeding is hereby authorized by each Lender to make such payments to the Administrative Agent and, in the event that the Administrative Agent shall consent to the making of such payments directly to the Lenders, to pay to the Administrative Agent any amount due for the reasonable compensation, expenses, disbursements and advances of the Administrative Agent and its agents and counsel, and any other amounts due the Administrative Agent under Sections 2.9 and 10.5.

Nothing contained herein shall be deemed to authorize the Administrative Agent to authorize or consent to or accept or adopt on behalf of any Lender any plan of reorganization, arrangement, adjustment or composition affecting the Obligations or the rights of any Lender to authorize the Administrative Agent to vote in respect of the claim of any Lender in any such proceeding.

**9.12 No Other Duties, Etc.** Anything herein to the contrary notwithstanding, neither the "Lead Arranger," "Joint Lead Arranger", "Syndication Agent" nor "Documentation Agent" shall have any powers, duties or responsibilities under this Agreement or any of the other Loan Documents, except in its capacity, as applicable, as a Lender or the Issuing Lender, as applicable, hereunder.



**9.13 Reports and Financial Statements.** Each provider of Bank Services agrees to furnish to the Administrative Agent at such frequency as the Administrative Agent may reasonably request with a summary of all Obligations in respect of Bank Services due or to become due to such provider of Bank Services. In connection with any distributions to be made hereunder, the Administrative Agent shall be entitled to assume that no amounts are due to any provider of Bank Services unless the Administrative Agent has received written notice thereof from such provider of Bank Services and if such notice is received, the Administrative Agent shall be entitled to assume that the only amounts due to such provider of Bank Services on account of Bank Services is the amount set forth in such notice.

## SECTION 10 MISCELLANEOUS

### 10.1 Amendments and Waivers.

(a) Neither this Agreement, any other Loan Document, nor any terms hereof or thereof may be amended, supplemented or modified except in accordance with the provisions of this Section 10.1 (and with respect to the Fee Letter, in accordance with its terms). The Required Lenders and each Loan Party party to the relevant Loan Document may, or, with the written consent of the Required Lenders, the Administrative Agent and each Loan Party party to the relevant Loan Document may, from time to time, (i) enter into written amendments, supplements or modifications hereto and to the other Loan Documents for the purpose of adding any provisions to this Agreement or the other Loan Documents or changing in any manner the rights of the Lenders or of the Loan Parties hereunder or thereunder or (ii) waive, on such terms and conditions as the Required Lenders or the Administrative Agent, as the case may be, may specify in such instrument, any of the requirements of this Agreement or the other Loan Documents or any Default or Event of Default and its consequences; provided that no such waiver and no such amendment, supplement or modification shall (A) forgive the principal amount or extend the final scheduled date of maturity of any Loan, extend the scheduled date of any amortization payment in respect of any Term Loan, reduce the stated rate of any interest or fee payable hereunder (except that (i) any amendment or modification of defined terms used in the financial covenants in this Agreement and (ii) any waiver or any other modification of the Default Rate, shall not constitute a reduction in the rate of interest or fees for purposes of this clause (A)) or extend the scheduled date of any payment thereof, or increase the amount or extend the expiration date of any Lender's Revolving Commitment, in each case without the written consent of each Lender directly affected thereby; (B) eliminate or reduce the voting rights of any Lender under this Section 10.1 without the written consent of such Lender; (C) amend, waive or otherwise modify the definition of Required Lenders, consent to the assignment or transfer by the Borrower of any of its rights and obligations under this Agreement and the other Loan Documents, release or subordinate all or substantially all of the Collateral or release all or substantially all of the Guarantors from their obligations under the Guarantee and Collateral Agreement, in each case without the written consent of all Lenders; (D) (i) amend, modify or waive the *pro rata* requirements of Section 2.18 in a manner that adversely affects Revolving Lenders without the written consent of each Revolving Lender or (ii) amend, modify or waive the *pro rata* requirements of Section 2.18 in a manner that adversely affects Term Lenders or the L/C Lenders without the written consent of each Term Lender and/or, as applicable, each L/C Lender; (E) reduce the percentage specified in the definition of Majority

Revolving Lenders without the written consent of all Revolving Lenders or reduce the percentage specified in the definition of Majority Term Lenders without the written consent of all Term Lenders; (F) amend, modify or waive any provision of Section 9 without the written consent of the Administrative Agent; (G) amend, modify or waive any provision of Section 3 without the written consent of the Issuing Lender; or (H) (i) amend or modify the application of prepayments set forth in Section 2.12(e) or the application of payments set forth in Section 8.3 in a manner that adversely affects Revolving Lenders without the written consent of the Majority Revolving Lenders or (ii) amend or modify the application of prepayments set forth in Section 2.12(e) or the application of payments set forth in Section 8.3 in a manner that adversely affects Term Lenders or the L/C Lenders without the written consent of the Majority Term Lenders and, as applicable, the L/C Lenders or (iii) amend or modify the application of payments provisions set forth in Section 8.3 in a manner that adversely affects the Issuing Lender, any provider of Bank Services or any Qualified Counterparty, as applicable, without the written consent of the Issuing Lender, such provider of Bank Services or any such Qualified Counterparty, as applicable. Any such waiver and any such amendment, supplement or modification shall apply equally to each of the Lenders and shall be binding upon the Loan Parties, the Lenders, the Administrative Agent and all future holders of the Loans. In the case of any waiver, the Loan Parties, the Lenders and the Administrative Agent shall be restored to their former position and rights hereunder and under the other Loan Documents, and any Default or Event of Default waived shall be deemed to be cured during the period such waiver is effective; but no such waiver shall extend to any subsequent or other Default or Event of Default, or impair any right consequent thereon.

(b) Notwithstanding any provision herein or in any Loan Document to the contrary, no amendment, supplement, modification, consent or waiver of this Agreement or any Loan Document altering the ratable treatment of Obligations arising under Specified Swap Agreements or Bank Services resulting in such Obligations being junior in right of payment to principal on the Loans or resulting in the Obligations owing to any Qualified Counterparty or provider of Bank Services becoming unsecured (other than releases of Liens permitted in accordance with Section 10.15), in each case in a manner adverse to any Qualified Counterparty or provider of Bank Services, as applicable, shall be effective without the written consent of such Qualified Counterparty or provider of Bank Services, as applicable.

(c) Notwithstanding anything to the contrary contained in Section 10.1(a) above, in the event that (i) the Borrower requests that this Agreement or any of the other Loan Documents be amended or otherwise modified in a manner which would require the consent of all of the Lenders and such amendment or other modification is agreed to by the Borrower, the Required Lenders and the Administrative Agent or (ii) the Borrower receives written notice and demand from any Lender for payment of additional costs as provided in Section 2.18, 2.19 or 2.20, then, with the consent of the Borrower, the Administrative Agent and the Required Lenders, this Agreement or such other Loan Document may be amended without the consent of the Lender or Lenders who are unwilling to agree to such amendment or other modification (each, a "**Minority Lender**"), to provide for:

(i) the termination of the Commitment of each such Minority Lender;

(ii) the assumption of the Loans and Commitment of each such Minority Lender by one or more Replacement Lenders pursuant to the provisions of Section 2.25; and

(iii) the payment of all interest, fees and other obligations payable or accrued in favor of each Minority Lender and such other modifications to this Agreement or to such Loan Documents as the Borrower, the Administrative Agent and the Required Lenders may determine to be appropriate in connection therewith.

(d) Notwithstanding any provision herein to the contrary, any Bank Services Agreement may be amended or otherwise modified by the parties thereto in accordance with the terms thereof without the consent of the Administrative Agent or any Lender.

(e) Notwithstanding any provision herein or in any other Loan Document to the contrary, no Qualified Counterparty or provider of Bank Services shall have any voting or approval rights hereunder (or be deemed a Lender) solely by virtue of its status as the provider or holder of Bank Services or Specified Swap Agreements or Obligations owing thereunder, nor shall the consent of any such Qualified Counterparty or provider of Bank Services, as applicable, be required for any matter, other than in their capacities as Lenders, to the extent applicable.

(f) Notwithstanding any provision herein to the contrary, this Agreement may be amended (or amended and restated) with the written consent of the Required Lenders, the Administrative Agent, and the Borrower, (i) to add one or more additional credit facilities to this Agreement and to permit the extensions of credit from time to time outstanding thereunder and the accrued interest and fees in respect thereof to share ratably (or on a basis subordinated to the existing facilities hereunder) in the benefits of this Agreement and the other Loan Documents with the Term Loans and Revolving Extensions of Credit and the accrued interest and fees in respect thereof and (ii) to include appropriately the Lenders holding such credit facilities in any determination of the Required Lenders and Majority Revolving Lenders or Majority Term Lenders, as applicable.

**10.2 Notices.** All notices, requests and demands to or upon the respective parties hereto to be effective shall be in writing (including by facsimile or electronic mail), and, unless otherwise expressly provided herein, shall be deemed to have been duly given or made when delivered, or three Business Days after being deposited in the mail, postage prepaid, or, in the case of facsimile or electronic mail notice, when received, addressed as follows in the case of Holdings, the Borrower, and the Administrative Agent, and as set forth in an administrative questionnaire delivered to the Administrative Agent in the case of the Lenders, or to such other address as may be hereafter notified by the respective parties hereto:

Holdings or  
Borrower: Cambium Networks, Ltd  
3800 Golf Road, Suite 360  
Rolling Meadows, IL 60008 USA  
United States of America  
Attention: Mike Hansen, Chief Financial Officer; and Sally Rau, General Counsel  
Phone: 847 264 2218  
E-Mail: mike.hansen@cambiumnetworks.com; sally.rau@cambiumnetworks.com

with a copy to (which shall not constitute notice):

Vector Capital  
One Market Street  
Steuart Tower, 23rd Floor  
San Francisco, CA 94105  
Attention: Rob Amen  
Telephone: (415) 293-5010  
E-mail: RAmen@vectorcapital.com

Kirkland & Ellis LLP  
555 California Street  
San Francisco, California 94104  
Attention: Samantha Good and Brian Ford  
E-mail:sgood@kirkland.com; bford@kirkland.com  
Facsimile: (415) 439-1500

Administrative  
Agent: Silicon Valley Bank  
2400 Hanover Street  
Palo Alto, CA 94304  
Attention: Michael Willard  
Facsimile No.: 650-320-1165  
E-Mail: MWillard2@svb.com

with a copy to:

Riemer & Braunstein LLP  
Three Center Plaza  
Boston, MA 02108-2003  
Attention: Charles W. Stavros, Esq.  
Facsimile No.: 617-692-3441  
E-Mail: CStavros@riemerlaw.com

provided that any notice, request or demand to or upon the Administrative Agent or the Lenders shall not be effective until received.

Notices and other communications to the Lenders hereunder may be delivered or furnished by electronic communications pursuant to procedures approved by the Administrative Agent; provided that the foregoing shall not apply to notices pursuant to Section 2 unless otherwise agreed by the Administrative Agent and the applicable Lender. The Administrative Agent or the Borrower may, in its discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it; provided that approval of such procedures may be limited to particular notices or communications. Unless the Administrative Agent otherwise prescribes, (a) notices and other communications sent to an email address shall be deemed received upon the sender's receipt of an acknowledgment from the intended recipient (such as by the "return receipt requested" function, as available, return email or other written acknowledgment); provided that if such notice or other communication is not sent during the normal business hours of the recipient, such notice or communication shall be deemed to have been sent at the opening of business on the next Business Day for the recipient, and (b) notices or communications posted to an Internet or intranet website shall be deemed received upon the deemed receipt by the intended recipient at its email address as described in the foregoing clause (a) of notification that such notice or communication is available and identifying the website address therefor.

Any party hereto may change its address or facsimile number for notices and other communications hereunder by notice to the other parties hereto.

Each Loan Party agrees that the Administrative Agent may, but shall not be obligated to, make the Communications (as defined below) available to the Issuing Lender and the other Lenders by posting the Communications on Debt Domain, Intralinks, DebtX, Syndtrak or a substantially similar electronic transmission system (the "**Platform**"). The Platform is provided "as is" and "as available." The Agent Parties (as defined below) do not warrant the adequacy of the Platform and expressly disclaim liability for errors or omissions in the Communications. No warranty of any kind, express, implied or statutory, including, without limitation, any warranty of merchantability, fitness for a particular purpose, non-infringement of third-party rights or freedom from viruses or other code defects, is made by any Agent Party in connection with the Communications or the Platform. In no event shall the Administrative Agent or any of its Related Parties (collectively, the "**Agent Parties**") have any liability to the Borrower or the other Loan Parties, any Lender or any other Person or entity for damages of any kind, including, without limitation, direct or indirect, special, incidental or consequential damages, losses or expenses (whether in tort, contract or otherwise) arising out of the Borrower's, any Loan Party's or the Administrative Agent's transmission of communications through the Platform. "**Communications**" means, collectively, any notice, demand, communication, information, document or other material provided by or on behalf of any Loan Party pursuant to any Loan Document or the transactions contemplated therein which is distributed to the Administrative Agent, any Lender or the Issuing Lender by means of electronic communications pursuant to this Section, including through the Platform.

**10.3 No Waiver; Cumulative Remedies.** No failure to exercise and no delay in exercising, on the part of the Administrative Agent or any Lender, any right, remedy, power or privilege hereunder or under the other Loan Documents shall operate as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. The rights, remedies, powers and privileges herein provided are cumulative and not exclusive of any rights, remedies, powers and privileges provided by law.

**10.4 Survival of Representations and Warranties.** All representations and warranties made hereunder, in the other Loan Documents and in any document, certificate or statement delivered pursuant hereto or in connection herewith shall survive the execution and delivery of this Agreement and the making of the Loans and other extensions of credit hereunder.

**10.5 Payment of Expenses and Taxes.** The Borrower agrees (a) to pay or reimburse the Administrative Agent for all its reasonable and documented out-of-pocket costs and expenses incurred in connection with the development, preparation and execution of, and any amendment, supplement or modification to, this Agreement and the other Loan Documents and any other documents prepared in connection herewith or therewith, and the consummation and administration of the transactions contemplated hereby and thereby (but in the case of legal fees, limited to the reasonable and documented out-of-pocket fees and disbursements of one primary law firm and, to the extent reasonably necessary, one other outside local counsel for the Administrative Agent and the other Lenders in each relevant jurisdiction) and filing and recording fees and expenses, with statements with respect to the foregoing to be submitted to the Borrower prior to the Closing Date (in the case of amounts to be paid on the Closing Date) and from time to time thereafter on a quarterly basis or such other periodic basis as the Administrative Agent shall deem appropriate; (b) to pay or reimburse each Lender and the Administrative Agent for all its reasonable and documented out-of-pocket costs and expenses incurred after the occurrence and during the continuance of an Event of Default or in connection with the enforcement or preservation of any rights under this Agreement, the other Loan Documents and any such other documents (but in the case of legal fees, limited to (a) in the case of the Administrative Agent, one legal primary outside counsel for the Administrative Agent and to the extent reasonably necessary in the reasonable discretion of Agent, one other outside local counsel on behalf of itself and the other Lenders in each relevant jurisdiction, and (b) in the case of the other Lenders, one legal primary outside counsel for the Lenders; *provided, however* if any Lender or the Administrative Agent reasonably determines that a conflict of interest exists in respect of any of such Lender or the Administrative Agent, the Loan Parties shall be required to indemnify for additional law firms on behalf of each such conflicted Lender), (c) to indemnify and hold each Lender and the Administrative Agent harmless from, any and all fees, expenses, and liabilities that may be payable or determined to be payable in connection with the execution and delivery of, or consummation or administration of any of the transactions contemplated by, or any amendment, supplement or modification of, or any waiver or consent under or in respect of, this Agreement, the other Loan Documents and any such other documents, and (d) to indemnify and hold each Lender and the Administrative Agent and their respective officers, partners, directors, employees, affiliates, agents and advisors (each, an "**Indemnitee**") harmless from and against any and all other liabilities, obligations, losses (other than lost profits), damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever arising out of or relating to the execution, delivery, enforcement, performance and administration of this Agreement, the other Loan Documents and any such other documents related thereto (regardless of whether any Indemnitee is a party hereto and regardless of whether any such matter is initiated by a third party, the Borrower, any other Loan Party or any other Person), including any of the foregoing relating to the use of proceeds of the Loans or the violation of, noncompliance with or liability under, any Environmental Law applicable to the

operations of any Group Member or any of the Properties and the reasonable fees and expenses of legal counsel (but, in the case of legal fees, limited to, (a) in the case of the Administrative Agent, one legal primary outside counsel for the Administrative Agent and to the extent reasonably necessary in the reasonable discretion of Agent, (x) one other outside local counsel on behalf of itself and the other Indemnitees in each relevant jurisdiction and (y) one regulatory counsel for itself and the other Indemnitees with respect to each relevant regulatory scheme or special counsel to the itself and the other Indemnitees with respect to each relevant matter and (b) in the case of the other Indemnitees, one legal primary outside counsel for the Indemnitees; *provided, however* if any Indemnitee or the Administrative Agent reasonably determines that a conflict of interest exists in respect of any of such Indemnitee or the Administrative Agent, the Loan Parties shall be required to indemnify for additional law firms on behalf of each such conflicted Indemnitee) in connection with claims, actions or proceedings by any Indemnitee against any Loan Party under any Loan Document (all the foregoing in this clause (d), collectively, the “**Indemnified Liabilities**”); *provided* that the Borrower shall have no obligation hereunder to any Indemnitee with respect to Indemnified Liabilities to the extent such Indemnified Liabilities (i) are found by a final and nonappealable decision of a court of competent jurisdiction to have resulted from the gross negligence or willful misconduct of such Indemnitee or (ii) result from a claim brought by the Borrower against an Indemnitee for breach in bad faith of such Indemnitee’s obligations under this Agreement, but only if the Borrower has obtained a final and nonappealable judgment in their favor on such claim as determined by a court of competent jurisdiction. Without limiting the foregoing, and to the extent permitted by applicable law, the Borrower agrees not to assert and to cause their respective Subsidiaries not to assert, and hereby waives and agrees to cause their respective Subsidiaries to waive, all rights for contribution or any other rights of recovery with respect to all claims, demands, penalties, fines, liabilities, settlements, damages, costs and expenses of whatever kind or nature, under or related to Environmental Laws, that any of them might have by statute or otherwise against any Indemnitee. All amounts due under this Section 10.5 shall be payable not later than 10 days after written demand therefor. Statements payable by the Borrower pursuant to this Section 10.5 shall be submitted to the facsimile number and attention of the person set forth in Section 10.2, or to such other Person or address as may be hereafter designated by the Borrower in a written notice to the Administrative Agent. The agreements in this Section 10.5 shall survive repayment of the Loans and all other amounts payable hereunder.

#### **10.6 Successors and Assigns; Participations and Assignments.**

(a) The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby (including any affiliate of the Issuing Lender that issues any Letter of Credit), except that neither the Borrower nor any Loan Party may assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of the Administrative Agent and each Lender (and any attempted assignment or transfer by the Borrower or any Loan Party without such consent shall be null and void).

**(b)**

**(i)** Subject to the conditions set forth below in Section 10.6(b)(ii), any Lender may assign to one or more Eligible Assignees all or a portion of its rights and obligations under this Agreement (including all or a portion of its Commitments and the Loans at the time owing to it) with the prior written consent of:

(A) the Administrative Agent (such consent not to be unreasonably withheld, conditioned or delayed and shall not be required in connection with the assignment to a Lender, an Affiliate of a Lender or an Approved Fund);

(B) so long as no Event of Default has occurred and is continuing, the Borrower (such consent not to be unreasonably withheld, conditioned or delayed and shall not be required in connection with the assignment to a Lender, an Affiliate of a Lender or an Approved Fund); and

(C) with respect to any proposed assignment of all or a portion of the L/C Commitment, the Issuing Lender.

**(ii)** Assignments shall be subject to the following additional conditions:

(A) except in the case of an assignment to a Lender, an affiliate of a Lender or an Approved Fund or an assignment of the entire remaining amount of the assigning Lender's Commitments or Loans under any Facility, the amount of the Commitments or Loans of the assigning Lender subject to each such assignment (determined as of the date the Assignment and Assumption with respect to such assignment is delivered to the Administrative Agent) shall not be less than (i) \$500,000 with respect to the Revolving Commitments or Revolving Loans or (ii) \$1,000,000 with respect to the Term Commitments or Term Loans (*provided* that simultaneous assignments to or by two or more Approved Funds shall be aggregated for purposes of determining such amount), unless the Administrative Agent otherwise consents;

(B) the parties to each assignment of all or a portion of any Revolving Commitment shall (1) electronically execute and deliver to the Administrative Agent an Assignment and Assumption via an electronic settlement system acceptable to the Administrative Agent or (2) manually execute and deliver to the Administrative Agent an Assignment and Assumption, together with (except in the case of an assignment by a Lender to an Affiliate or an Approved Fund of such Lender) a processing and recordation fee of \$3,500, payable by the assigning or assignee Lender as they shall mutually agree;

(C) the parties to each assignment of all or a portion of any Term Commitment or Term Loans shall (1) electronically execute and deliver to the Administrative Agent an Assignment and Assumption via an electronic settlement system acceptable to the Administrative Agent or (2) manually execute and deliver to the Administrative Agent an Assignment and Assumption, together with (except in the case of an assignment by a Lender to an Affiliate or an Approved Fund of such Lender) a processing and recordation fee or \$3,500, payable by the assigning or assignee Lender as they shall mutually agree; and



(D) no such assignment shall be made to (1) to any Defaulting Lender or any of its Subsidiaries, or any Person who, upon becoming a Lender hereunder, would constitute any of the foregoing Persons described in this clause (1) or (2) to a natural Person (or a holding company, investment vehicle or trust established for, or owned and operated for the primary benefit of, a natural Person); and

(E) the Eligible Assignee, if it shall not be a Lender, shall deliver to the Administrative Agent an administrative questionnaire.

For the purposes of this Section 10.6, the term “**Approved Fund**” means any Person (other than a natural person) that is (or will be) engaged in making, purchasing, holding or investing in commercial loans and similar extensions of credit in the ordinary course of its business and that is administered or managed by (a) a Lender, (b) an Affiliate of a Lender or (c) an entity or an Affiliate of an entity that administers or manages a Lender.

(iii) In connection with any assignment of rights and obligations of any Defaulting Lender hereunder, no such assignment shall be effective unless and until, in addition to the other conditions thereto set forth herein, the parties to the assignment shall make such additional payments to the Administrative Agent in an aggregate amount sufficient, upon distribution thereof as appropriate (which may be outright payment, purchases by the assignee of participations or subparticipations, or other compensating actions, including funding, with the consent of the Borrower and the Administrative Agent, the Defaulting Lender’s Revolving Percentage or Term Percentage, as applicable, of Loans previously requested by the Borrower but not funded by the Defaulting Lender, to each of which the applicable assignee and assignor hereby irrevocably consent), to (A) pay and satisfy in full all payment liabilities then owed by such Defaulting Lender to the Administrative Agent or any Lender hereunder (and interest accrued thereon) and (B) acquire (and fund as appropriate) its full Revolving Percentage or Term Percentage, as the case may be, of all Loans, and its L/C Percentage of participations in Letters of Credit. Notwithstanding the foregoing, in the event that any assignment of rights and obligations of any Defaulting Lender hereunder shall become effective under applicable law without compliance with the provisions of this paragraph, then the assignee of such interest shall be deemed to be a Defaulting Lender for all purposes of this Agreement until such compliance occurs.

(iv) Subject to acceptance and recording thereof pursuant to Section 10.6(b)(vi) below, from and after the effective date specified in each Assignment and Assumption the Eligible Assignee thereunder shall be a party hereto and, to the extent of the interest assigned by such Assignment and Assumption, have the rights and obligations of a Lender under this Agreement, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Assumption, be released from its obligations under this Agreement (and, in the case of an Assignment and Assumption covering all of the assigning Lender’s rights and obligations under this Agreement, such Lender shall cease to be a party hereto but shall continue to be entitled to the benefits of Sections 2.20, 2.21 and 10.5). Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this Section 10.6 shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with Section 10.6(c).

(v) An Eligible Assignee shall not be entitled to receive any greater payment under Section 2.20 or 2.21 than the applicable Lender would have been entitled to receive with respect to the interest assigned to such Eligible Assignee had the assignment of the interest not occurred. For the avoidance of doubt, any Eligible Assignee that is a Foreign Lender shall additionally not be entitled to the benefits of Section 2.20 unless such Eligible Assignee complies with Section 2.20(d), and Section 2.20(e) to the extent applicable.

(vi) The Administrative Agent, acting for this purpose as a non-fiduciary agent of the Borrower, shall maintain at one of its offices a copy of each Assignment and Assumption delivered to it and a register for the recordation of the names and addresses of the Revolving Lenders, and the Revolving Commitments of, and principal amount of the Revolving Loans owing to, each Revolving Lender pursuant to the terms hereof from time to time, and the names and addresses of the L/C Lenders, and the L/C Commitments of, and principal amounts owing to, each L/C Lender pursuant to the terms hereof from time to time (the “**Revolving Loan Register**”). The entries in the Revolving Loan Register shall be conclusive absent manifest error, and the Borrower, the Administrative Agent, the Issuing Lender and the Lenders may treat each Person whose name is recorded in the Revolving Loan Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement, notwithstanding notice to the contrary. In addition, the Administrative Agent shall maintain on the Revolving Loan Register information regarding the designation, and revocation of designation, of any Revolving Lender as a Defaulting Lender. The Revolving Loan Register shall be available for inspection by the Borrower, the Issuing Lender, the Administrative Agent and any Lender, at any reasonable time and from time to time upon reasonable prior notice. The Administrative Agent, acting for this purpose as a non-fiduciary agent of the Borrower, shall maintain at one of its offices a copy of each Assignment and Assumption delivered to it and a register for the recordation of the names and addresses of the Lenders, and the Term Commitments of, and principal amount of the Term Loans owing to, each Lender pursuant to the terms hereof from time to time (the “**Term Loan Register**”). The entries in the Term Loan Register shall be conclusive, and the Borrower, the Administrative Agent, the Issuing Lender and the Lenders may treat each Person whose name is recorded in the Term Loan Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement, notwithstanding notice to the contrary. In addition, the Administrative Agent shall maintain on the Term Loan Register information regarding the designation, and revocation of designation, of any Term Lender as a Defaulting Lender. The Term Loan Register shall be available for inspection by the Borrower, the Issuing Lender and any Lender, at any reasonable time and from time to time upon reasonable prior notice.

(vii) Upon its receipt of a duly completed Assignment and Assumption executed by an assigning Lender and an Eligible Assignee, the Eligible Assignee’s completed administrative questionnaire (unless the Eligible Assignee shall already be a Lender hereunder), the processing and recordation fee referred to in Section 10.6(b) and any written consent to such assignment required by Section 10.6(b) (in each case to the extent required), the Administrative Agent shall accept such Assignment and Assumption and record the information contained therein in the applicable Register. No assignment shall be effective for purposes of this Agreement unless it has been recorded in the applicable Register as provided in this paragraph. This Section 10.6(b)(vi) shall be construed so that the Loans are at all times maintained in “registered form” within the meaning of Sections 163(f), 871(h)(2) and 881(c)(2) of the Code.

(c) (i) Any Lender may, without the consent of the Borrower or the Administrative Agent, sell participations to one or more banks or other entities (other than a Defaulting Lender, natural person, the Borrower or any of its Subsidiaries or Affiliates) (each, a **“Participant”**) in all or a portion of such Lender’s rights and obligations under this Agreement (including all or a portion of its Commitments and the Loans owing to it); provided that (A) such Lender’s obligations under this Agreement shall remain unchanged, (B) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations and (C) the Borrower, the Administrative Agent, the Issuing Lender and the other Lenders shall continue to deal solely and directly with such Lender in connection with such Lender’s rights and obligations under this Agreement. Any agreement pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement; provided that such agreement may provide that such Lender will not, without the consent of the Participant, agree to any amendment, modification or waiver that (1) requires the consent of each Lender directly affected thereby pursuant to the proviso to the second sentence of Section 10.1 and (2) directly affects such Participant. In no case shall a Participant have the right to enforce any of the terms of any Loan Document. Subject to Section 10.6(c)(ii), the Borrower agrees that each Participant shall be entitled to the benefits of Sections 2.19, 2.20 and 2.21 to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to Section 10.6(b); provided that each Participant shall be subject to the terms and provisions of Section 2.18(g) as if it were a Lender. To the extent permitted by law, each Participant also shall be entitled to the benefits of Section 10.7(b) as though it were a Lender; provided that such Participant shall be subject to Section 10.7(a) as though it were a Lender.

(ii) A Participant shall not be entitled to receive any greater payment under Section 2.20 or 2.21 than the applicable Lender would have been entitled to receive with respect to the participation sold to such Participant, had the sale of the participation not occurred. Any Participant that is a Foreign Lender shall not be entitled to the benefits of Section 2.20 unless such Participant complies with Section 2.20(e), in each case, to the extent applicable. Any Participant that is a UK Qualifying Lender shall not be entitled to the benefits of Section 2.20 unless such Participant agrees with the Borrower to comply with Section 2.20(f)(i), (ii) and (iv) as if it were a Lender, in each case, to the extent applicable in respect of U.K. withholding tax matters.

(iii) Each Lender that sells a participation shall, acting solely for this purpose as a non-fiduciary agent of the Borrower, maintain a register on which it enters the name and address of each Participant and the principal amounts (and stated interest) of each Participant’s interest in the Loans or other obligations under the Loan Documents (the **“Participant Register”**); provided that no Lender shall have any obligation to disclose all or any portion of the Participant Register (including the identity of any Participant or any information relating to a Participant’s interest in any commitments, loans, letters of credit or its other obligations under any Loan Document) to any Person except to the extent that such disclosure is necessary to establish that such commitment, loan, letter of credit or other obligation is in registered form under Section 5f.103-1(c) of the United States Treasury Regulations and within the meaning of Sections 163(f), 871(h)(2) and 881(c)(2) of the Code. The entries in the Participant Register shall be conclusive absent manifest error, and such Lender shall treat each Person whose name is recorded in the Participant Register as the owner of such participation for all purposes of this Agreement notwithstanding any notice to the contrary. For the avoidance of doubt, the Administrative Agent (in its capacity as Administrative Agent) shall have no responsibility for maintaining a Participant Register.

(d) Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement to secure obligations of such Lender, including any pledge or assignment to secure obligations to a Federal Reserve Bank, and this Section 10.6 shall not apply to any such pledge or assignment of a security interest; provided that no such pledge or assignment of a security interest shall release a Lender from any of its obligations hereunder or substitute any such pledgee or Eligible Assignee for such Lender as a party hereto.

(e) The Borrower, upon receipt of written notice from the relevant Lender, agrees to issue Notes to any Lender requiring Notes to facilitate transactions of the type described in Section 10.6(d) above.

(f) Each Lender, upon execution and delivery hereof or upon succeeding to an interest in the Commitments or Loans, as the case may be, represents and warrants as of the Closing Date or as of the effective date of the applicable Assignment and Assumption that (i) it is an Eligible Assignee; (ii) it has experience and expertise in the making of or investing in commitments, loans or investments such as the Commitments and Loans; and (iii) it will make or invest in its Commitments and Loans for its own account in the ordinary course of its business and without a view to distribution of such Commitments and Loans within the meaning of the Securities Act or the Exchange Act, or other federal securities laws (it being understood that, subject to the provisions of this Section 10.6, the disposition of such Commitments and Loans or any interests therein shall at all times remain within its exclusive control).

#### **10.7 Adjustments; Set-off.**

(a) Except to the extent that this Agreement expressly provides for payments to be allocated to a particular Lender or to the Lenders under a particular Facility, if any Lender (a "**Benefitted Lender**") shall, at any time after the Loans and other amounts payable hereunder shall immediately become due and payable pursuant to Section 8.2, receive any payment of all or part of the Obligations owing to it, or receive any collateral in respect thereof (whether voluntarily or involuntarily, by set-off, pursuant to events or proceedings of the nature referred to in Section 8.1(f), or otherwise), in a greater proportion than any such payment to or collateral received by any other Lender, if any, in respect of the Obligations owing to such other Lender, such Benefitted Lender shall purchase for cash from the other Lenders a participating interest in such portion of the Obligations owing to each such other Lender, or shall provide such other Lenders with the benefits of any such collateral, as shall be necessary to cause such Benefitted Lender to share the excess payment or benefits of such collateral ratably with each of the Lenders; provided that if all or any portion of such excess payment or benefits is thereafter recovered from such Benefitted Lender, such purchase shall be rescinded, and the purchase price and benefits returned, to the extent of such recovery, but without interest.

(b) In addition to any rights and remedies of the Lenders provided by law, each Lender shall have the right, after the occurrence and continuance of an Event of Default, without prior notice to Holdings or the Borrower, any such notice being expressly waived by Holdings and the Borrower to the extent permitted by applicable law, upon any amount becoming due and payable by a Loan Party hereunder (whether at the stated maturity, by acceleration or otherwise), to set off and appropriate and apply against such amount any and all deposits (general or special, time or demand, provisional or final), in any currency, and any other credits, indebtedness or claims, in any currency, in each case whether direct or indirect, absolute or contingent, matured or unmatured, at any time held or owing by such Lender or any branch or agency thereof to or for the credit or the account of Holdings or the Borrower, as the case may be; provided, that in the event that any Defaulting Lender shall exercise any such right of setoff, (x) all amounts so set off shall be paid over immediately to the Administrative Agent for further application in accordance with the provisions of Section 2.24 and, pending such payment, shall be segregated by such Defaulting Lender from its other funds and deemed held in trust for the benefit of the Administrative Agent and the Lenders, and (y) the Defaulting Lender shall provide promptly to the Administrative Agent a statement describing in reasonable detail the Obligations owing to such Defaulting Lender as to which it exercised such right of setoff. Each Lender agrees promptly to notify the Borrower and the Administrative Agent after any such setoff and application made by such Lender; provided that the failure to give such notice shall not affect the validity of such setoff and application.

**10.8 Payments Set Aside.** To the extent that any payment by or on behalf of the Borrower is made to the Administrative Agent or any Lender, or the Administrative Agent or any Lender exercises its right of setoff, and such payment or the proceeds of such setoff or any part thereof is subsequently invalidated, declared to be fraudulent or preferential, set aside or required (including pursuant to any settlement entered into by the Administrative Agent or such Lender in its discretion) to be repaid to a trustee, receiver or any other party, in connection with any Insolvency Proceeding or otherwise, then (a) to the extent of such recovery, the obligation or part thereof originally intended to be satisfied shall be revived and continued in full force and effect as if such payment had not been made or such setoff had not occurred, and (b) each Lender severally agrees to pay to the Administrative Agent upon demand its applicable share (without duplication) of any amount so recovered from or repaid by the Administrative Agent, plus interest thereon from the date of such demand to the date such payment is made at a rate per annum equal to the Federal Funds Effective Rate from time to time in effect. The obligations of the Lenders under clause (b) of the preceding sentence shall survive the payment in full of the Obligations and the termination of this Agreement.

**10.9 Interest Rate Limitation.** Notwithstanding anything to the contrary contained in any Loan Document, the interest paid or agreed to be paid under the Loan Documents shall not exceed the maximum rate of non-usurious interest permitted by applicable law (the "*Maximum Rate*"). If the Administrative Agent or any Lender shall receive interest in an amount that exceeds the Maximum Rate, the excess interest shall be applied to the principal of the Loans or, if it exceeds such unpaid principal, refunded to the Borrower. In determining whether the interest contracted for, charged, or received by the Administrative Agent or a Lender exceeds the Maximum Rate, such Person may, to the extent permitted by applicable law, (a) characterize any payment that is not principal as an expense, fee, or premium rather than interest, (b) exclude voluntary prepayments and the effects thereof, and (c) amortize, prorate, allocate, and spread in equal or unequal parts the total amount of interest throughout the contemplated term of the Obligations hereunder.

**10.10 Counterparts.** This Agreement may be executed by one or more of the parties to this Agreement on any number of separate counterparts, and all of said counterparts taken together shall be deemed to constitute one and the same instrument. Delivery of an executed signature page of this Agreement by facsimile or electronic mail transmission shall be effective as delivery of a manually executed counterpart hereof. A set of the copies of this Agreement signed by all the parties shall be lodged with the Borrower and the Administrative Agent. The words "execution," "signed," "signature," and words of like import in any Assignment and Assumption shall be deemed to include electronic signatures or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act.

**10.11 Severability.** Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability and severed from this Agreement without invalidating the remaining provisions hereof, and this Agreement will be construed in such jurisdiction as if the prohibited or unenforceable provision had never been contained herein, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. Without limiting the foregoing provisions of this Section 10.11, if and to the extent that the enforceability of any provisions in this Agreement relating to Defaulting Lenders shall be limited under or in connection with any Insolvency Proceeding, as determined in good faith by the Administrative Agent or the Issuing Lender, as applicable, then such provisions shall be deemed to be in effect only to the extent not so limited.

**10.12 Integration.** This Agreement and the other Loan Documents represent the entire agreement of the Borrower, the other Loan Parties, the Administrative Agent and the Lenders with respect to the subject matter hereof and thereof, and there are no promises, undertakings, representations or warranties by the Administrative Agent or any Lender relative to the subject matter hereof not expressly set forth or referred to herein or in the other Loan Documents.

**10.13 GOVERNING LAW.** THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE GOVERNED BY, AND SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK WITHOUT REGARD TO THE CONFLICT OF LAW RULES THEREOF (OTHER THAN SECTION 5-1401 OF THE NEW YORK GENERAL OBLIGATIONS LAW).

**10.14 Submission to Jurisdiction; Waivers.** Each party hereto hereby irrevocably and unconditionally:

(a) submits to the exclusive jurisdiction of the State and Federal courts in the Northern District of the State of New York; provided that nothing in this Agreement shall be deemed to operate to preclude the Administrative Agent or any Lender from bringing suit or taking other legal action in any other jurisdiction to realize on the Collateral or any other security for the Obligations, or to enforce a judgment or other court order in favor of

Administrative Agent or such Lender. Each party hereto expressly submits and consents in advance to such jurisdiction in any action or suit commenced in any such court, and each party hereto hereby waives any objection that it may have based upon lack of personal jurisdiction, improper venue, or forum non conveniens and hereby consents to the granting of such legal or equitable relief as is deemed appropriate by such court. Each party hereto hereby waives personal service of the summons, complaints, and other process issued in such action or suit and agrees that service of such summons, complaints, and other process may be made by registered or certified mail addressed to the Borrower or any Parent Guarantor at the addresses set forth in Section 10.2 of this Agreement and that service so made shall be deemed completed upon the earlier to occur of the Borrower's or any Parent Guarantors', as applicable, actual receipt thereof or three (3) days after deposit in the U.S. mails, proper postage prepaid;

**(b) TO THE EXTENT PERMITTED BY APPLICABLE LAW, WAIVES ITS RIGHT TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION ARISING OUT OF OR BASED UPON THIS AGREEMENT, THE OTHER LOAN DOCUMENTS OR ANY CONTEMPLATED TRANSACTION, INCLUDING CONTRACT, TORT, BREACH OF DUTY AND ALL OTHER CLAIMS. EACH PARTY HERETO ACKNOWLEDGES THAT THIS WAIVER IS A MATERIAL INDUCEMENT TO ENTER INTO A BUSINESS RELATIONSHIP, THAT EACH HAS ALREADY RELIED ON THIS WAIVER IN ENTERING INTO THIS AGREEMENT, AND THAT EACH WILL CONTINUE TO RELY ON THIS WAIVER IN ITS RELATED FUTURE DEALINGS. EACH PARTY HERETO FURTHER WARRANTS AND REPRESENTS THAT IT HAS REVIEWED THIS WAIVER WITH ITS LEGAL COUNSEL AND THAT IT KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS FOLLOWING CONSULTATION WITH LEGAL COUNSEL. THIS WAIVER IS IRREVOCABLE, MEANING THAT IT MAY NOT BE MODIFIED EITHER ORALLY OR IN WRITING (OTHER THAN BY A MUTUAL WRITTEN WAIVER SPECIFICALLY REFERRING TO THIS SECTION 10.14 AND EXECUTED BY EACH OF THE PARTIES HERETO), AND THIS WAIVER SHALL APPLY TO ANY SUBSEQUENT AMENDMENTS, RENEWALS, SUPPLEMENTS OR MODIFICATIONS HERETO OR ANY OF THE OTHER LOAN DOCUMENTS OR TO ANY OTHER DOCUMENTS OR AGREEMENTS RELATING TO THE LOANS MADE HEREUNDER. IN THE EVENT OF LITIGATION, THIS AGREEMENT MAY BE FILED AS A WRITTEN CONSENT TO A TRIAL BY THE COURT;** and

(c) waives, to the maximum extent not prohibited by law, any right it may have to claim or recover in any legal action or proceeding referred to in this Section 10 any special, exemplary, punitive or consequential damages. The Administrative Agent and the Lenders agree that no Loan Party shall be liable to the Administrative Agent or the Lenders for consequential or punitive damages arising out of or related to or in connection with the Transaction.

**10.15 Acknowledgements.** Each Loan Party hereby acknowledges that:

(a) it has been advised by counsel in the negotiation, execution and delivery of this Agreement and the other Loan Documents;

(b) none of the Administrative Agent nor any Lender has any fiduciary relationship with or duty to any Loan Party arising out of or in connection with this Agreement or any of the other Loan Documents, and the relationship between the Administrative Agent and Lenders, on one hand, and the Loan Parties, on the other hand, in connection herewith or therewith is solely that of debtor and creditor; and

(c) no joint venture is created hereby or by the other Loan Documents or otherwise exists by virtue of the transactions contemplated hereby among the Lenders or among the Loan Parties and the Lenders.

#### **10.16 Releases of Guarantees and Liens.**

(a) Notwithstanding anything to the contrary contained herein or in any other Loan Document, the Administrative Agent is hereby irrevocably authorized by each Lender (without requirement of notice to or consent of any Lender except as expressly required by Section 10.1) to take any action requested by the Borrower having the effect of releasing any Collateral or guarantee obligations (1) to the extent necessary to permit consummation of any transaction not prohibited by any Loan Document or that has been consented to in accordance with Section 10.1 or (2) under the circumstances described in Section 10.16(b) below.

(b) At such time as the Loans and the other obligations under the Loan Documents, including, without limitation, obligations under Specified Swap Agreement and Bank Services Agreement unless the obligations under such agreements have been Cash Collateralized or otherwise secured to the satisfaction of the Administrative Agent and Qualified Counterparty or provider of such Bank Services satisfaction, as applicable, shall have been paid in full, the Commitments have been terminated and no Letters of Credit shall be outstanding, the Collateral shall be released from the Liens created by the Security Documents, and the Security Documents and all obligations (other than those expressly stated to survive such termination) of the Administrative Agent and each Loan Party under the Security Documents shall terminate, all without delivery of any instrument or performance of any act by any Person. The Administrative Agent shall take all commercially reasonable actions reasonably requested by any Loan Party to evidence such termination at such Loan Party's expense.

**10.17 Confidentiality.** The Administrative Agent and each Lender agrees to keep confidential all non-public information provided to it by any Group Member, the Administrative Agent or any Lender pursuant to or in connection with this Agreement provided that nothing herein shall prevent the Administrative Agent or any Lender from disclosing any such information (a) to any the Administrative Agent, any other Lender or any affiliate thereof, (b) subject to an agreement to comply with the provisions of this Section, to any actual or prospective Transferee or any direct or indirect counterparty to any Swap Agreement (or any professional advisor to such counterparty), (c) to its employees, directors, agents, attorneys, accountants and other professional advisors or those of any of its Affiliates that are bound by a similar duty of confidentiality, (d) upon the request or demand of any Governmental Authority, with notice to the Borrower to the extent such notice is practicable and legally permissible (e) in response to any order of any court or other Governmental Authority or as may otherwise be required pursuant to any Requirement of Law, with notice to the Borrower to the extent such



notice is practicable and legally permissible, (f) if requested or required to do so in connection with any litigation or similar proceeding, (g) that has been publicly disclosed through no fault of the Administrative Agent or any Lender, (h) to the National Association of Insurance Commissioners or any similar organization or any nationally recognized rating agency that requires access to information about a Lender's investment portfolio in connection with ratings issued with respect to such Lender, (i) in connection with the exercise of any remedy hereunder or under any other Loan Document, (j) to any financing source or potential financing source of any Lender who is entitled by contractual obligation with any Lender or Agent or by law to have such information and, in each case, is informed of the confidential nature of such information and agrees to be bound by the terms of this Section 10.17; or (k) in connection with any public filing by the Administrative Agent or any Lender or their respective Affiliates in accordance with Requirements of Law. Notwithstanding anything herein to the contrary, any party to this Agreement (and any employee, representative, or other agent of any party to this Agreement) may disclose to any and all persons, without limitation of any kind, the tax treatment and tax structure of the transactions contemplated by this Agreement and all materials of any kind (including opinions or other tax analyses) that are provided to it relating to such tax treatment and tax structure. However, any such information relating to the tax treatment or tax structure is required to be kept confidential to the extent necessary to comply with any applicable federal or state securities laws. In addition, the Administrative Agent, the Lenders, and any of their respective Related Parties, may (A) disclose the existence of this Agreement and information about this Agreement to market data collectors, similar service providers to the lending industry and service providers to the Administrative Agent or the Lenders in connection with the administration of this Agreement, the other Loan Documents, and the Commitments; and (B) use any information (not constituting Information subject to the foregoing confidentiality restrictions) related to the syndication and arrangement of the credit facilities contemplated by this Agreement in connection with marketing, press releases, or other transactional announcements or updates provided to investor or trade publications, including the placement of "tombstone" advertisements in publications of its choice at its own expense.

**10.18 Automatic Debits.** With respect to any principal, interest, fee, or any other cost or expense (including attorney costs of the Administrative Agent or any Lender payable by the Borrower hereunder) due and payable to the Administrative Agent or any Lender under the Loan Documents, the Borrower hereby irrevocably authorizes the Administrative Agent to debit any deposit account of the Borrower maintained with the Administrative Agent in an amount such that the aggregate amount debited from all such deposit accounts does not exceed such principal, interest, fee or other cost or expense. If there are insufficient funds in such deposit accounts to cover the amount then due, such debits will be reversed (in whole or in part, in the Administrative Agent's sole discretion) and such amount not debited shall be deemed to be unpaid. No such debit under this Section 10.18 shall be deemed a set-off. No such debit under this Section 10.18 shall be deemed a set-off. Amounts that shall be required to be paid promptly after request therefor under this Agreement or any other Loan Document shall not be deemed to be due and payable under this Section 10.18 until one (1) Business Day after request therefor.

**10.19 Patriot Act.** Each Lender and the Administrative Agent (for itself and not on behalf of any other party) hereby notifies each Loan Party that, pursuant to the requirements of "know your customer" and anti-money-laundering rules and regulations, including the Patriot Act, it is required to obtain, verify and record information that identifies each Loan Party, which

information includes the names and addresses and other information that will allow such Lender or the Administrative Agent, as applicable, to identify each Loan Party in accordance with such rules and regulations. Each Loan Party will, and will cause each of its respective Subsidiaries to, provide such information and take such actions as are reasonably requested by the Administrative Agent or any Lender to assist the Administrative Agent or any such Lender in maintaining compliance with such applicable rules and regulations.

**10.20 Acknowledgement and Consent to Bail-In of EEA Financial Institutions.** Notwithstanding anything to the contrary in this Agreement or in any other Loan Document, each party hereto acknowledges that any liability of any EEA Financial Institution arising under any Loan Document, to the extent such liability is unsecured, may be subject to the write-down and conversion powers of an EEA Resolution Authority and agrees and consents to, and acknowledges and agrees to be bound by:

(a) the application of any Write-Down and Conversion Powers by an EEA Resolution Authority to any such liabilities arising hereunder which may be payable to it by any party hereto that is an EEA Financial Institution; and

(b) a conversion of all, or a portion of, such liability into Capital Stock in such EEA Financial Institution, its parent undertaking, or a bridge institution that may be issued to it or otherwise conferred on it, and that such Capital Stock will be accepted by it in lieu of any rights with respect to any such liability under this Agreement or any other Loan Document; or

(c) the variation of the terms of such liability in connection with the exercise of the write-down and conversion powers of any EEA Resolution Authority.

**10.21 Acknowledgement of Prior Obligations and Continuation Thereof.** Each of the Loan Parties (a) consents to the amendment and restatement of the Existing Credit Agreement by this Agreement; (b) acknowledges and agrees that (i) the "Obligations" (as defined in the Existing Credit Agreement) are owing to the Secured Parties (as defined in the Existing Credit Agreement), (ii) the prior grant or grants of security interests in favor of any of the Administrative Agent or any other Secured Party (as defined in the Existing Credit Agreement) in its properties and assets, under each "Loan Document" as defined in the Existing Credit Agreement (the "**Original Loan Documents**") to which it is a party shall be in respect of the Obligations of such Person under this Agreement and the other Loan Documents; (c) reaffirms (i) all of the Obligations (as defined in the Existing Credit Agreement) owing to the Administrative Agent and the other Secured Parties (as defined in the Existing Credit Agreement), and (ii) all prior or concurrent grants of security interests in favor of any of the Administrative Agent or any other Secured Party (as defined in the Existing Credit Agreement) under each Original Loan Document and each Loan Document; and (d) agrees that, except as expressly amended hereby or unless being amended and restated concurrently herewith, each of the Original Loan Documents to which it is a party is and shall remain in full force and effect. Each of the Borrower and Holdings hereby confirms and agrees that all outstanding principal, interest and fees and other "Obligations" (as defined in the Existing Credit Agreement) under the Existing Credit Agreement immediately prior to the Closing Date shall, to the extent not paid on the Closing Date, from and after the Closing Date, be, without duplication, Obligations owing and payable pursuant to this Agreement and the other Loan Documents as in effect from time to time, shall accrue interest thereon as specified in this Agreement, and shall be secured by the Loan Documents.

**10.22 No Novation.** This Agreement does not extinguish the obligations for the payment of money outstanding under the Existing Credit Agreement or discharge or release the obligations or the liens or priority of any mortgage, pledge, security agreement or any other security therefor. Nothing herein contained shall be construed as a substitution or novation of the obligations outstanding under the Existing Credit Agreement, the other Original Loan Documents or instruments securing the same, which shall remain in full force and effect, except as modified hereby or by instruments executed concurrently herewith. Nothing expressed or implied in this Agreement shall be construed as a release or other discharge of the Borrower or Holdings from any of its obligations or liabilities under the Existing Credit Agreement or any of the security agreements, pledge agreements, mortgages, guaranties or other loan documents executed in connection therewith. Each of the Borrower and Holdings hereby (a) confirms and agrees that each Original Loan Document to which it is a party that is not being amended and restated concurrently herewith is, and shall continue to be, in full force and effect and is hereby ratified and confirmed in all respects except that on and after the Closing Date, all references in any such Original Loan Document to “the Credit Agreement,” “thereto,” “thereof,” “thereunder” or words of like import referring to the Existing Credit Agreement shall mean the Existing Credit Agreement as amended and restated by this Agreement; and (b) confirms and agrees that to the extent that any such Original Loan Document purports to assign or pledge to any Secured Party a security interest in or lien on, any collateral as security for all or any portion of any of the Obligations of the Borrower or Holdings, as the case may be, from time to time existing in respect of the Existing Credit Agreement or the Original Loan Document, such pledge or assignment or grant of the security interest or lien is hereby ratified and confirmed in all respects with respect to this Agreement and the Loan Documents.

*[Remainder of page left blank intentionally]*

**IN WITNESS WHEREOF**, the parties hereto have caused this Agreement to be duly executed and delivered by their proper and duly authorized officers as of the day and year first above written.

**HOLDINGS:**

**VECTOR CAMBIUM HOLDINGS (CAYMAN), L.P.**,  
as Holdings

By: Vector Capital Partners IV, L.P.,  
its General Partner

By: Vector Capital, L.L.C.  
a General Partner

By: /s/ David Baylor  
David Baylor  
Chief Operating Officer

By: Vector Capital, Ltd.,  
a General Partner

By: /s/ David Baylor  
David Baylor  
Director

[Signature Page to Amended and Restated Credit Agreement]

**BORROWER:**

**EXECUTED** and **DELIVERED** as a **DEED** by **CAMBIUM NETWORKS, LTD** acting by a director in the presence of:

/s/ Atul Bhatnagar \_\_\_\_\_

Atul Bhatnagar  
Signature of director

Signature of witness /s/ Sally Rau \_\_\_\_\_

Print name Sally Rau \_\_\_\_\_

Address 3800 Golf Road Ste 360 \_\_\_\_\_

Rolling Meadows, IL 60008 \_\_\_\_\_

Occupation General Counsel \_\_\_\_\_

[Signature Page to Amended and Restated Credit Agreement]

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**Acknowledged and Agreed to:**

**PARENT GUARANTORS:**

**VECTOR CAMBIUM HOLDINGS (CAYMAN), LTD.**

as a Parent Guarantor

By: /s/ David Baylor

Name: David Baylor

Title: Chief Operating Officer

[Signature Page to Amended and Restated Credit Agreement]

**CAMBIUM (US), L.L.C.,**  
as a Parent Guarantor

By: /s/ Michael Hansen

Name: Michael Hansen

Title: Chief Financial Officer

[Signature Page to Amended and Restated Credit Agreement]

**SUBSIDIARY GUARANTORS:**

**CAMBIUM NETWORKS, INC.,**  
as a Subsidiary Guarantor

By: /s/ Atul Bhatnager  
Name: Atul Bhatnager  
Title: Chief Executive Officer

[Signature Page to Amended and Restated Credit Agreement]



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**ADMINISTRATIVE AGENT:**

**SILICON VALLEY BANK**  
as the Administrative Agent

By: /s/ Michael Willard  
Name: Michael Willard  
Title: Managing Director

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[Signature Page to Amended and Restated Credit Agreement]

**LENDERS:**

**SILICON VALLEY BANK**

as Issuing Lender and as a Lender

By: /s/ Michael Willard

Name: Michael Willard

Title: Managing Director

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[Signature Page to Amended and Restated Credit Agreement]

**HSBC BANK USA, NATIONAL  
ASSOCIATION**

as a Lender

By: /s/ James M. Brycki

Name: James M. Brycki

Title: Regional Commercial Executive, Mid-Corporate, San  
Francisco

[Signature Page to Amended and Restated Credit Agreement]

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**CADENCE BANK, N.A.**

as a Lender

By: /s/ Steve Prichett

Name: Steve Prichett

Title: EVP

[Signature Page to Amended and Restated Credit Agreement]

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**MUFG UNION BANK, N.A.**

as a Lender

By: /s/ Ronald J. Drobny

Name: Ronald J. Drobny

Title: Director

[Signature Page to Amended and Restated Credit Agreement]

**SCHEDULE 1.1A**

**COMMITMENTS  
AND AGGREGATE EXPOSURE PERCENTAGES**

**TERM COMMITMENTS**

<u>Lender</u>	<u>Existing Term Loans</u>	<u>Term Commitment</u>	<u>Aggregate Term Loans</u>	<u>Term Percentage</u>
Silicon Valley Bank	\$13,679,687.50	\$17,820,312.50	\$31,500,000.00	35.00000000%
HSBC Bank USA, National Association	\$ 8,207,812.50	\$18,792,187.50	\$27,000,000.00	30.00000000%
Cadence Bank, N.A.		\$18,000,000.00	\$18,000,000.00	20.00000000%
MUFG Union Bank, N.A.		\$13,500,000.00	\$13,500,000.00	15.00000000%
<b>Total</b>	<b>21,887,500.00</b>	<b>\$68,112,500.00</b>	<b>\$90,000,000.00</b>	<b>100%</b>

**REVOLVING COMMITMENTS**

<u>Lender</u>	<u>Revolving Commitment</u>	<u>Revolving Percentage</u>
Silicon Valley Bank	\$ 3,500,000.00	35.00000000%
HSBC Bank USA, National Association	\$ 3,000,000.00	30.00000000%
Cadence Bank, N.A.	\$ 2,000,000.00	20.00000000%
MUFG Union Bank, N.A.	\$ 1,500,000.00	15.00000000%
<b>Total</b>	<b>\$ 10,000,000.00</b>	<b>100%</b>

**L/C COMMITMENT**

<u>Lender</u>	<u>L/C Commitment</u>	<u>L/C Percentage</u>
Silicon Valley Bank	\$ 1,750,000.00	35.00000000%
HSBC Bank USA, National Association	\$ 1,500,000.00	30.00000000%
Cadence Bank, N.A.	\$ 1,000,000.00	20.00000000%
MUFG Union Bank, N.A.	\$ 750,000.00	15.00000000%
<b>Total</b>	<b>\$ 5,000,000.00</b>	<b>100%</b>

Schedule 1.1A

**SCHEDULE 1.1B**

**EXISTING LETTERS OF CREDIT**

<u>Reference Number</u>	<u>Applicant</u>	<u>Beneficiary</u>	<u>Advising Bank Name</u>	<u>Issue Date</u>	<u>Expiry Date</u>	<u>Currency</u>	<u>Amount in Currency</u>	<u>Amount in USD</u>
SVBSP001061	CAMBIUM NETWORKS, INC.	EPAGO.COM, S.A. DE C.V.,	SCOTIABANK	8/24/2015	6/30/2018	USD	37,800.00	\$ 37,800.00

Schedule 1.1B

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**SCHEDULE 4.4**

**GOVERNMENTAL APPROVALS, CONSENTS,  
AUTHORIZATIONS, FILINGS AND NOTICES**

None.

Schedule 4.4



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**SCHEDULE 4.5**

**REQUIREMENTS OF LAW**

None.

Schedule 4.5

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**SCHEDULE 4.13**

**ERISA PLANS**

- 401(k) plan of Cambium Networks, Inc.

Schedule 4.13

**SCHEDULE 4.15****SUBSIDIARIES**

<b>Subsidiary</b>	<b>Jurisdiction of Organization</b>	<b>Holder</b>	<b>Percentage of Capital Stock</b>
Vector Cambium Holdings (Cayman), Ltd.	Cayman Islands	Vector Cambium Holdings (Cayman), L.P.	100%
Cambium (US), L.L.C.	Delaware	Vector Cambium Holdings (Cayman), Ltd.	100%
Cambium Networks, Ltd	United Kingdom	Cambium (US), L.L.C.	100%
Cambium Networks, Inc.	Delaware	Cambium Networks, Ltd	100%
Cambium Networks Consulting Private Limited	India	Cambium Networks, Ltd	100%
Cambium Networks S.R.L	Argentina	Cambium Networks, Ltd	100%
Cambium Networks Brasil Solucoes Em Ti Ltda	Brazil	Cambium Networks, Ltd	100%
CNST Network Mexico S. De R.L de C.V	Mexico	Cambium Networks, Ltd	100%
Cambium Networks (Singapore) Pte Limited	Singapore	Cambium Networks, Ltd	100%
Cambium Networks Consulting (Shanghai) Company Limited	China	Cambium Networks, Ltd	100%
Cambium Networks Colombia S.A.S	Colombia	Cambium Networks, Ltd	100%
Cambium Networks (Hong Kong) Limited	Hong Kong	Cambium Networks, Ltd	100%
Cambium Networks South Africa Proprietary Limited	South Africa	Cambium Networks, Ltd	100%

Schedule 4.15

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**SCHEDULE 4.17**

**ENVIRONMENTAL MATTERS**

None.

Schedule 4.17

**SCHEDULE 4.19(a)**

**FINANCIAL STATEMENTS AND OTHER FILINGS**

<u>Loan Party</u>	<u>UCC Filing Jurisdiction</u>
Vector Cambium Holdings (Cayman), L.P.	District of Columbia
Vector Cambium Holdings (Cayman), Ltd.	District of Columbia
Cambium (US), L.L.C.	Delaware
Cambium Networks, Ltd	District of Columbia
Cambium Networks, Inc.	Delaware

The (i) membership interests of Cambium (US), L.L.C. held by Vector Cambium Holdings (Cayman), Ltd., (ii) the Capital Stock of Cambium Networks S.R.L. held by Cambium (US), L.L.C. and Cambium Networks, Ltd, (iii) the Capital Stock of Cambium Networks Brasil Solucoes Em Ti Ltda held by Cambium (US), L.L.C. and Cambium Networks, Ltd, (iv) the Capital Stock of CNST Network Mexico S. De R.L de C.V held by Cambium (US), L.L.C. and Cambium Networks, Ltd, (v) the Capital Stock of Cambium Networks Consulting (Shanghai) Company Limited held by Cambium Networks, Ltd, and (vi) the Capital Stock of Cambium Networks Colombia S.A.S held by Cambium Networks, Ltd are not Certificated Securities.

Schedule 4.19(a)

**SCHEDULE 4.26****CAPITALIZATION**

<u>Subsidiary</u>	<u>Beneficial Owner</u>	<u>Amount of Capital Stock</u>
Vector Cambium Holdings (Cayman), Ltd.	Vector Cambium Holdings (Cayman), L.P.	771.79 ordinary shares (certificated)
Cambium (US), L.L.C.	Vector Cambium Holdings (Cayman), Ltd.	N/A
Cambium Networks, Ltd	Cambium (US), L.L.C.	1 ordinary share (certificated)
Cambium Networks, Ltd	Cambium (US), L.L.C.	12,190 A ordinary share (certificated)
Cambium Networks, Ltd	Vector Cambium Holdings (Cayman), L.P.	7,000,000 preferred shares (certificated)
Cambium Networks, Inc.	Cambium Networks, Ltd	1 common share (certificated)
Cambium Networks Consulting Private Limited	Cambium Networks, Ltd	12,089 Certificated Equity Interests
Cambium Networks Consulting Private Limited	Cambium (US), L.L.C.	1 Certificated Equity Interests
Cambium Networks S.R.L	Cambium Networks, Ltd	10,450 shares uncertificated
Cambium Networks S.R.L	Cambium (US), L.L.C.	550 shares uncertificated
Cambium Networks Brasil Solucoes Em Ti Ltda	Cambium Networks, Ltd	2,916,238 uncertificated
Cambium Networks Brasil Solucoes Em Ti Ltda	Cambium (US), L.L.C.	1 uncertificated
CNST Network Mexico S. De R.L de C.V	Cambium Networks, Ltd	2,850 Series A Uncertificated
CNST Network Mexico S. De R.L de C.V	Cambium (US), L.L.C.	150 Series A Uncertificated
Cambium Networks (Singapore) Pte Limited	Cambium Networks, Ltd	1 ordinary share (certificated)
Cambium Networks Consulting (Shanghai) Company Limited	Cambium Networks, Ltd	1 uncertificated
Cambium Networks Colombia S.A.S	Cambium Networks, Ltd	99.868 uncertificated common shares
Cambium Networks (Hong Kong) Limited	Cambium Networks, Ltd	1 ordinary share (certificated)
Cambium Networks South Africa Proprietary Limited	Cambium Networks, Ltd	120 ordinary shares (certificated)

Schedule 4.26

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**SCHEDULE 7.2(d)**

**EXISTING INDEBTEDNESS**

None.

Schedule 7.2(d)

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**SCHEDULE 7.3(f)**

**EXISTING LIENS**

None.

Schedule 7.3(f)



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**SCHEDULE 7.11**

**TRANSACTIONS WITH AFFILIATES**

None.

Schedule 7.11

**Subsidiaries of Registrant**

Name of Subsidiary

Cambium Networks, Inc.  
Cambium Networks, Ltd.

Jurisdiction of Incorporation

Delaware  
England and Wales