



TEKTELIC Communications Inc.
7657 10th Street NE Calgary, Alberta
Canada, T2E 8X2

TEKTELIC Communications Standard Terms and Conditions of Sale and Quotation

This Sales Agreement (“Agreement”) is made and entered into by and between the undersigned, on behalf of themselves and their affiliates (each being a “Party” or collective “Parties”). For purposes of this Agreement, the term affiliate shall mean any person or entity controlling, controlled by, or under common control with another person or entity.

1. GENERAL

In the event of any conflict or inconsistency between the terms and conditions of sale herein and the terms and conditions contained in Purchaser’s order or in any other form issued by Purchaser, whether or not any such form has been acknowledged or accepted by TEKTELIC, TEKTELIC’s terms and conditions herein shall prevail. No waiver, alteration or modification of these terms and conditions shall be binding upon TEKTELIC unless made in writing and signed by a duly authorized representative of TEKTELIC.

2. QUOTATIONS

All quotations and indications of costs given or made by TEKTELIC are based on the assumption of the validity of the information provided being fully accurate and correct in all circumstances. TEKTELIC maintains the right at any stage to re-negotiate any contract, cost agreement or any other relevant commitment should any information provided by the Purchaser fail to be fully valid, accurate and correct. Unless otherwise stated, TEKTELIC’s quotation shall be null and void unless accepted by Purchaser within thirty (30) days from the date of quotation.

3. PURCHASE ORDERS

Purchaser will issue a written purchase order specifying the Products ordered with reference to this Agreement (“Purchase Order”). Only written Purchase Orders expressly designated as purchase orders of the Purchaser’s purchasing department shall be binding on the Parties. All Purchase Orders must be in writing and signed by a duly authorized representative of each Party. Purchaser’s Purchase Orders shall set forth for each ordered Product: (i) the quantity,

which shall be not less than the applicable minimum order size (“Minimum Order Quantity (MOQ)”) of 50 units of each Product type, (ii) the applicable Price, (iii) the delivery and shipping instructions and, (iii) the requested delivery schedule. Notwithstanding the foregoing, if TEKTELIC’s long lead time inventory items are not compatible with Purchaser’s requested delivery schedule, TEKTELIC will notify the Purchaser in writing and the Purchaser may issue a purchase order to satisfy the required long lead time inventory. All Purchase Orders shall be subject to and governed by the terms and conditions of this Agreement. TEKTELIC shall review the material lead times before accepting every Purchase Order. Purchase Orders are not subject to changes or cancellation by the Purchaser, except with TEKTELIC’s written consent. In such cases, Purchase Orders may be modified or cancelled, and scheduled shipments may be deferred, only upon Purchaser’s prior written notice and TEKTELIC’s written acknowledgment.

4. FORECASTS

The Purchaser shall provide TEKTELIC with a non-binding monthly, rolling, and twelve (12) month forecast for each Product. Purchaser will provide Purchase Orders on a two month rolling basis. TEKTELIC will use the forecast, among other things, to determine the availability of long lead inventory. Should the long lead inventory lead times start to affect reasonable Product delivery lead time, TEKTELIC will inform Purchaser. At its option in order to secure Product delivery times, PURCHASER may issue a Purchase Order to TEKTELIC for the procurement of long lead inventory

5. PRICES / COST OF TRANSPORTATION

Prices and payments will be in US currency unless otherwise agreed in writing. In the event that TEKTELIC and Purchaser mutually agree upon a change to the Prices, the new price and the effective date of such new price will be communicated in writing and signed by authorized representatives of each of the parties. Prices are Ex Works Incoterms 2010 (excluding shipping costs and insurance unless otherwise specified in the purchase order), payable without offset, back charge, retention or withholding of any kind. Special methods of transportation will be used upon Purchaser’s request and at Purchaser’s additional expense provided reasonable notice of Purchaser’s transportation requirements are given by Purchaser to TEKTELIC prior to shipment.

6. TAXES

Prices do not include Goods & Services Tax, governmental (including Municipal, Provincial, State, Federal, International) sales tax, use, value-added, custom duties or any other similar tax. Accordingly, in addition to the price specified herein, the amount of any present or future sales, use, value-added or similar tax and other government impositions applicable to the sale of the Products shall be paid by Purchaser.

7. DELIVERY

Delivery schedules are approximate and are based on prevailing market conditions applicable respectively at the time of TEKTELIC's quotation and TEKTELIC's acceptance of Purchaser's order. Delivery shall also depend on the prompt receipt by TEKTELIC of the necessary information to allow maintenance of the manufacturer's engineering and manufacturing schedules. TEKTELIC may extend delivery schedules or may, at its option, cancel Purchaser's order in full or in part without liability other than to return any deposit or prepayment which is unearned by reason of the cancellation. TEKTELIC may deliver the Products in installments. TEKTELIC shall not have any liability for any special, indirect, consequential, incidental or exemplary damages, such as economic losses, due to any delays, incurred by Purchaser if TEKTELIC fails to meet the specified estimated delivery schedule because of unavoidable production delays or due to Force Majeure.

8. FORCE MAJEURE

TEKTELIC shall not be liable for any delay in delivery or for non-delivery, in whole or in part, caused by the occurrence of any contingency beyond the control either of TEKTELIC or TEKTELIC's suppliers, including, but not limited to, war (whether an actual declaration thereof is made or not), sabotage, insurrection, riot or other act of civil disobedience, act of a public enemy, failure or delay in transportation, act of any government or any agency or subdivision thereof, judicial action, labor dispute, accident, fire, explosion, flood, storm or other act of God, shortage of labor, fuel, raw material or machinery or technical failure where TEKTELIC has exercised a diligent level of care expected of a qualified practitioner in the industry in the prevention thereof.

9. QUANTITIES

Any variation in quantities shipped over or under the quantities ordered (not to exceed 10%) shall constitute compliance with Purchaser's order and the stated unit price will continue to apply.

10. TITLE

Title to the Products or any part thereof shall not pass from TEKTELIC to Purchaser until all payments due hereunder have been duly made. The Products shall be and remain personal or moveable property, notwithstanding their mode of attachment to realty or other property. If default is made in any of the payments herein, Purchaser agrees that TEKTELIC may retain all payments which have been made on account of the purchase price as liquidated damages.

11. LIMITED WARRANTY

Products sold hereunder are covered by a warranty against defects in material and workmanship provided the Products and services are subjected to normal use and service. The applicable warranty period is twelve (12) months plus two weeks from the date of shipment. The foregoing warranty shall not apply to:

- 1) Products that have been modified by anyone other than TEKTELIC without TEKTELIC's prior written consent and/or subjected to improper handling, storage, installation, operation or maintenance;
- 2) Any item of the Products which is furnished by Purchaser as a component part of a purchased Product, or any equipment that is not manufactured by TEKTELIC and is purchased by TEKTELIC on behalf of Purchaser. For the removal of doubt, components selected or sourced by TEKTELIC shall be covered by the warranty;
- 3) Models or samples which are furnished to Purchaser as illustrations only of the general properties of TEKTELIC's products and workmanship;
- 4) Damage to Products caused by abrasive materials, corrosion due to aggressive fluids, lightning, improper voltage supply, mishandling or misapplication.

Except as expressly set forth herein, TEKTELIC expressly disclaims any and all representations, warranties, conditions, covenants, guarantees and/or assurances, whether express or implied, relating to or arising out of Products or services and/or this contract, including without limitation, any implied representations, warranties, conditions, covenants and/or guarantees as to merchantability, merchantable quality, non-infringement, fitness for a particular purpose, those arising by statute or otherwise, or from a course of dealing or usage or trade. To the extent permitted by applicable law, all warranties, representations, terms and conditions other than as expressly contained herein are excluded. Each party acknowledges that it has not relied on any other term, condition, representation, warranty, matter, statement or conduct in entering into this contract.

Purchaser's sole remedy for a breach of this limited warranty, for any other liability under this contract, or for any liability that cannot be excluded as provided by applicable law, shall be limited (at TEKTELIC's sole option) the repair, replacement or refund to Purchaser's account for any such Products which are returned by Purchaser during the applicable warranty period, provided that (i) TEKTELIC is promptly notified in writing during such warranty period upon discovery by Purchaser that the Products failed to conform to the express warranties set forth above, (ii) such Products are returned to TEKTELIC Incoterms 2010 DDP TEKTELIC's plant shipping costs covered by the Purchaser, and (iii) TEKTELIC's examination of such Products shall disclose to TEKTELIC's satisfaction that such alleged deficiencies actually exist and were not caused by accident, misuse, neglect, alteration, improper installation, unauthorized repair or improper testing as set forth above. If TEKTELIC elects to repair or replace such Products,

TEKTELIC shall have a reasonable time to make such repairs or replace such Products. The Products shall be returned to Purchaser location Incoterms 2010 DDP, cost covered by TEKTELIC. The repaired or refurbished units will receive a ninety (90) day warranty, or the remainder of the original product warranty, whichever is longer.

12. TERMS OF PAYMENT

Unless otherwise stated, fifty percent (50%) of the value of the Purchase Order will be due within fifteen (15) days of issuing the Purchase Order. The balance of the Purchase Order shall be payable within thirty (30) days of invoice date. Should payment not be made to TEKTELIC when due, TEKTELIC reserves the right, until the price has been fully paid in cash, to charge Purchaser with interest on such overdue payments at the rate of eighteen percent (18%) per annum. The charging of such interest shall not be construed as obligating TEKTELIC to grant any extension of time in the terms of payment. If Purchaser's account becomes delinquent, TEKTELIC has the right to revoke previously applied discounts and the full price without discount will become immediately due and owing and subject to collection. Purchaser agrees to pay all fees directly or indirectly incurred in the collection of past due or delinquent accounts. Failure by Purchaser to provide payment shall entitle TEKTELIC to suspend delivery of the Products and entitle TEKTELIC to terminate its obligations hereunder. Suspension of delivery or termination of a Purchase Order or these Terms shall not in any way limit TEKTELIC's recourse to any other legal or equitable remedies available to TEKTELIC in respect of such non-payment by Purchaser. In the event TEKTELIC resorts to a third party or to litigation in order to collect amounts due TEKTELIC hereunder, Purchaser agrees to pay costs of collection for amount owed to TEKTELIC, including, but not limited to, attorney's fees and court costs.

13. CHANGES AND CANCELLATION

Orders accepted by TEKTELIC are not subject to changes or cancellation by Purchaser, except with TEKTELIC's written consent. In such cases where TEKTELIC authorizes changes or cancellation, TEKTELIC reserves the right to charge Purchaser with reasonable costs based upon expenses already incurred and commitments made by TEKTELIC, including, without limitation, any labor done, material purchased and also including usual overhead and reasonable profit and cancellation charges from TEKTELIC's suppliers.

14. LIABILITY AND INDEMNITY

Each party agrees to be liable for and to indemnify, defend, and hold the other party harmless, including its subsidiaries and their respective officers, directors, employees, agents, successors and permitted assigns thereof (each of the foregoing being hereinafter referred to individually as an "Indemnified Party") from and against any and all damage to property, death or injury to persons that may be sustained by such Indemnified Party by reason of the negligence or willful misconduct of an indemnifying party.

ANYTHING TO THE CONTRARY HEREIN NOTWITHSTANDING, UNDER NO CIRCUMSTANCES SHALL TEKTELIC BE LIABLE TO PURCHASER OR ANY OTHER PERSON OR ENTITY FOR AN AMOUNT OF DAMAGES IN EXCESS OF THE PRICE PAID FOR THE PRODUCTS PURSUANT TO THE APPLICABLE PURCHASE ORDER OR BE LIABLE FOR SPECIAL, INCIDENTAL, CONSEQUENTIAL, OR INDIRECT, PUNITIVE, EXEMPLARY DAMAGES OR THE LIKE (INCLUDING WITHOUT LIMITATION, LOST PROFITS, REVENUE, SALES, DATA OR COSTS OF PROCUREMENT FOR SUBSTITUTE PRODUCTS OR SERVICES, INTERRUPTION OF BUSINESS, LOSS OF GOOD WILL, WORK STOPPAGE OR DATA LOSS) IN ANY AMOUNT HOWEVER CAUSED AND WHETHER ARISING UNDER CONTRACT, TORT, INFRINGEMENT OR NEGLIGENCE, OR OTHER THEORY OF LIABILITY ARISING IN ANY WAY OUT OF THE USE OF OR INABILITY TO USE THE PRODUCTS, ERRORS, DEFECTS, OMISSIONS, DELAYS IN OPERATION OR OTHER PERFORMANCE FAILURE, EVEN IF TEKTELIC IS ADVISED IN ADVANCE OF SUCH POSSIBILITY. ALL CLAIMS MUST BE BROUGHT WITHIN ONE YEAR OF SHIPMENT, REGARDLESS OF THEIR NATURE.

15. EXPORT CONTROL

If Purchaser transfers the Products sold hereunder (including hardware and/or software and/or technology) delivered by TEKTELIC or works and services performed by TEKTELIC to a third party, the Purchaser shall comply with all applicable national and international (re-) export control regulations.

As such, prior to any transfer of Products, works and services provided by TEKTELIC to a third party, Purchaser shall in particular guarantee that in any applicable distributor, re-seller or vendor agreements (a copy of such documents should be attached with the application) the Purchaser will prohibit the exports listed below:

1. to countries that are included in the Area Control List; that are subject to Canadian economic sanctions (including those implemented under the United Nations Act or the Special Economic Measures Act); that are excluded from the application of General Export Permit No. 12; and that are subject to sanctions under the Export and Import Permits Act; - As of April 2014, these countries are the following: Afghanistan, Belarus, Burma (Myanmar), Central African Republic, Cote d'Ivoire, Cuba, Democratic Republic of the Congo, Egypt, Eritrea, Guinea, GuineaBissau, Iran, Iraq, Lebanon, Liberia, Libya, North Korea, Pakistan, Russia, Somalia, Sudan, Syria, Tunisia, Ukraine, Zimbabwe. 2. for end-use that is directly or indirectly related to research, development or production of chemical, biological or nuclear weapons, or any missile programs for such weapons; 3. of technical information related to design, development or implementation of the crypto; and 4. of source code or pseudo-code, in any form, of the crypto.

16. DISPUTE RESOLUTION

TEKTELIC and Purchaser will in good faith attempt to promptly and informally resolve any dispute arising out of or relating to performance of the Purchaser's order by negotiation between senior level executives of TEKTELIC and Purchaser. If TEKTELIC and Purchaser have not resolved the matter through such negotiation within fifteen (15) days after the matter has been first addressed in writing from one senior executive to another, TEKTELIC and Purchaser shall then have the right to notify the other of the existence of a formal dispute.

The parties shall then meet within thirty (30) days to resolve the dispute and/or agree to a means of resolving the dispute, including, without limitation, with the assistance of a mediator jointly selected by both parties. If the dispute has not been resolved at the end of such thirty (30) day period (or such extended period as the parties may have agreed for purposes of resolving the dispute), whether by mediation or otherwise, the dispute shall be submitted for binding arbitration to a mutually agreed-upon arbitrator who shall then meet with TEKTELIC and Purchaser within thirty (30) days after such submission to resolve the dispute. If the parties cannot agree on an arbitrator, PURCHASER shall appoint one arbitrator and TEKTELIC shall appoint one arbitrator, and the appointed arbitrators shall mutually select a third arbitrator.

The arbitration shall be conducted in accordance with the Arbitration Act (Alberta). The arbitration shall be held in a location mutually agreed upon by TEKTELIC and Purchaser, and unless otherwise required by the arbitrator, shall be completed within one hundred twenty (120) days of the submission of the controversy to the arbitrator(s). The judgment of the arbitrator(s) shall be final and binding on TEKTELIC and Purchaser and may be entered for enforcement purposes in any court having jurisdiction, with the party's appellate rights, if any, flowing therefrom.

17. APPLICABLE LAW AND VENUE

This Agreement shall be governed by, and construed and enforced in accordance with the laws of the Province of Alberta regardless of the choice of law rules of such state or any other jurisdiction. All disputes arising out of this agreement shall be subject to the exclusive jurisdiction of either the provincial or federal courts located in Calgary, Alberta, and the parties agree and submit to the personal and exclusive jurisdiction and venue of these courts. This Agreement and the rights and obligations of the parties hereunder shall not be governed by the United Nations Convention on Contracts for the International Sale of Goods, the application of which is expressly excluded by the parties hereto.

18. ENTIRE AGREEMENT

No representations, warranties or agreements, oral or written, express or implied, have been made to any party hereto, except as expressly provided herein. This Agreement shall be binding upon the respective parties hereto and their permitted successors and permitted assigns. In the

event that any provision hereof is found invalid or unenforceable pursuant to judicial decree or decision, the remainder of this Agreement shall remain valid and enforceable according to its terms. This Agreement constitutes the entire understanding and agreement between the parties regarding the subject matter of this Agreement, and supersedes all other prior written and oral communications regarding this transaction, and may not be altered, modified or amended except by a written amendment executed by both parties.