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

FORM 8-K

CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported): March 26, 2015

NOVATEL WIRELESS, INC.
(Exact Name of Registrant as Specified in its Charter)

Delaware	**000-31659**	**86-0824673**
(State or other jurisdiction of incorporation)	Commission file number	(I.R.S. Employer identification number)

9645 Scranton Road
San Diego, CA 92121
(Address of Principal Executive Offices) (Zip Code)

(858) 812-3400
(Registrant's telephone number, including area code)

Not Applicable
(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 1.01 Entry into a Material Definitive Agreement.

Merger Agreement

On March 27, 2015, Novatel Wireless, Inc. (the "Company"), entered into an Agreement and Plan of Merger (the "Merger Agreement") with Duck Acquisition, Inc., an Oregon corporation and wholly owned subsidiary of the Company ("Merger Sub"), R.E.R. Enterprises, Inc., an Oregon corporation ("RER"), the stockholders of RER (the "Stockholders") and Ethan Ralston, as the representative of the Stockholders, pursuant to which the Company completed the acquisition of RER and its wholly owned subsidiaries, Feeney Wireless, LLC, an Oregon limited liability company ("Feeney Wireless"), and Feeney Wireless IC-DISC, Inc., a Delaware corporation ("Feeney Wireless IC-DISC"). Pursuant to the terms of the Merger Agreement, Merger Sub merged with and into RER with RER continuing as the surviving corporation and as a wholly owned subsidiary of the Company (the "Merger"). The Merger Agreement and the transactions contemplated thereby were unanimously approved by the boards of directors of the Company, Merger Sub and RER and by the Stockholders.

At the effective time of the Merger, the Company paid total cash consideration of approximately $9.3 million, $1.5 million of which was placed in an escrow fund to serve as partial security for the indemnification obligations of RER and the Stockholders. The Stockholders are also entitled to receive $15 million in shares of the Company's common stock, par value $0.001 per share ("Common Stock"), which will be issued no later than the tenth business day after the filing by the Company of its Annual Report on Form 10-K for the year ended December 31, 2015 with the Securities and Exchange Commission (the "SEC"). In addition, the Stockholders may be entitled to receive earn-out payments totaling up to $25 million (the "Earnout Payments") in the event that certain financial targets are achieved based on RER's consolidated annual net revenue and gross profit margin for 2015, 2016 and 2017 ("Earnout Metrics"). In the event that the Earnout Payments are not earned in full in 2015 or 2016, any shortfall will roll forward to the next year and can be made up if the Company overachieves its Earnout Metrics in the following year; *provided*, *however*, that the aggregate merger consideration will not exceed $50 million. Up to $10 million of the Earnout Payments are contingent on both the Chairman and the Chief Executive Officer, respectively, continuing to be employed by RER until the four-year anniversary of the Merger. All of the Earnout Payments may be paid, at the option of the Company, in cash or by the issuance of shares of Common Stock.

The Merger Agreement has been provided pursuant to applicable rules and regulations of the SEC in order to provide investors and stockholders with information regarding its terms; *however*, it is not intended to provide any other factual information about the Company, RER, their respective subsidiaries and affiliates, or any other party. In particular, the representations, warranties and covenants contained in the Merger Agreement have been made only for the purpose of the Merger Agreement and, as such, are intended solely for the benefit of the parties to the Merger Agreement. In many cases, these representations, warranties and covenants are subject to limitations agreed upon by the parties and are qualified by certain disclosures exchanged by the parties in connection with the execution of the Merger Agreement. Furthermore, many of the representations and warranties in the Merger Agreement are the result of a negotiated allocation of contractual risk among the parties and, taken in isolation, do not necessarily reflect facts about the Company, RER, their respective subsidiaries and affiliates or any other party. Likewise, any references to materiality contained in the representations and warranties may not correspond to concepts of materiality applicable to investors or stockholders. Finally, information concerning the subject matter of the representations and warranties may change after the date of the Merger Agreement and these changes may not be fully reflected in the Company's public disclosures.

AS A RESULT OF THE FOREGOING, INVESTORS AND STOCKHOLDERS ARE STRONGLY ENCOURAGED NOT TO RELY ON THE REPRESENTATIONS, WARRANTIES AND COVENANTS CONTAINED IN THE MERGER AGREEMENT, OR ON ANY DESCRIPTIONS THEREOF, AS ACCURATE CHARACTERIZATIONS OF THE STATE OF FACTS OR CONDITION OF THE COMPANY OR ANY OTHER PARTY. INVESTORS AND STOCKHOLDERS ARE LIKEWISE CAUTIONED THAT THEY ARE NOT THIRD-PARTY BENEFICIARIES UNDER THE MERGER AGREEMENT AND DO NOT HAVE ANY DIRECT RIGHTS OR REMEDIES PURSUANT TO THE MERGER AGREEMENT.

Joinder and Second Amendment to Credit Agreement

Concurrently with the execution of the Merger Agreement, the Company entered into a Joinder and Second Amendment to Credit and Security Agreement and Other Loan Documents and Consent (the "Second Amendment") with Enfora, Inc., a Delaware corporation ("Enfora" and, together with the Company, the "Borrowers"), RER, Feeney Wireless,

Feeney Wireless IC-DISC and Wells Fargo Bank, National Association (the "Lender"), which amends that certain Credit and Security Agreement, dated as of October 31, 2014 (as amended, modified and supplemented from time to time, the "Credit Agreement"), under which the Lender made available to the Borrowers a revolving credit facility in the amount of $25 million which continues in effect through October 31, 2019, unless earlier terminated in accordance with its terms. Pursuant to the terms and conditions of the Second Amendment, (i) the Lender consented to the Merger, (ii) each of RER and Feeney Wireless IC-DISC was added as a "Guarantor" and a "Loan Party" under, and as party to, the Credit Agreement and (iii) Feeney Wireless was added as a "Borrower" and a "Loan Party" under, and as party to, the Credit Agreement.

New Warrant

In connection with the Merger, and as a means to provide partial funding for the cash consideration payable in the Merger, HC2 Holdings 2, Inc., a Delaware corporation (the "Investor"), agreed to exercise that certain Warrant to Purchase Common Stock issued by the Company to the Investor on September 8, 2014 (the "Existing Warrant"). Upon exercise of the Existing Warrant, the Investor purchased 3,824,600 shares of Common Stock, at an exercise price of $2.26 per share, for aggregate cash proceeds to the Company of approximately $8.64 million. In order to induce the Investor to exercise the Existing Warrant, on March 26, 2015, the Company issued to the Investor a new warrant to purchase 1,593,583 shares of Common Stock at an exercise price of $5.50 per share (the "New Warrant").

The Investor owns approximately 23% of the outstanding shares of Common Stock of the Company and is a wholly owned subsidiary of HC2 Holdings, Inc., a Delaware corporation ("HC2"). Mr. Philip Falcone, a director of the Company, is the Chairman of the Board of Directors, President and Chief Executive Officer of HC2. Mr. Robert Pons, a director of the Company, currently serves as the Executive Vice President of Business Development and a director of HC2.

The New Warrant will be exercisable into shares of Common Stock during the period commencing on September 26, 2015 and ending on March 26, 2020, the expiration date of the New Warrant. The New Warrant will generally only be exercisable on a cash basis; *provided, however,* that the New Warrant may be exercised on a cashless basis if and only if a registration statement relating to the issuance of the shares underlying the New Warrant is not then effective or an exemption from registration is not available for the resale of such shares. The New Warrant may be exercised by surrendering to the Company the certificate evidencing the New Warrant to be exercised with the accompanying exercise notice, appropriately completed, duly signed and delivered, together with cash payment of the exercise price, if applicable.

The exercise price and the number of shares of Common Stock issuable upon exercise of the New Warrant are subject to adjustment upon certain corporate events, including certain combinations, recapitalizations, reorganizations, reclassifications, stock dividends and stock splits. In the event of an extraordinary transaction, as described in the New Warrant and generally including any merger with or into another entity, sale of all or substantially all of the Company's assets, tender offer or exchange offer, and certain reclassifications of the Common Stock, the New Warrant will automatically be converted into the right to receive, for each share of Common Stock that would have been issuable upon exercise of such New Warrant immediately prior to such transaction, the same kind and amount of securities, cash or property as the holder would have been entitled to receive if the holder had been the holder of Common Stock immediately prior to the occurrence of such transaction.

No fractional shares will be issued upon exercise of the New Warrant. The New Warrant does not confer upon its holder any voting or other rights as a stockholder of the Company.

The foregoing descriptions of the Merger Agreement, the Second Amendment and the New Warrant do not purport to be complete and are subject to, and qualified in their entirety by, the full text of such documents, copies of which are attached hereto as Exhibit 2.1, Exhibit 10.1 and Exhibit 4.1, respectively, and the terms of which are incorporated herein by reference.

Item 2.01 Completion of Acquisition or Disposition of Assets.

The information set forth in Item 1.01 of this Current Report on Form 8-K is incorporated into this Item 2.01 by reference.

Item 3.02 Unregistered Sales of Equity Securities.

The New Warrant was issued in reliance upon exemption from registration pursuant to Section 4(a)(2) under the Securities Act of 1933, as amended (the "Securities Act"). The issuance did not involve any underwriters, underwriting discounts or commissions, or any public offering; the Company made no solicitation in connection with the issuance other than communications with the Investor; the Investor is an "accredited investor," as such term is defined in the Securities Act; and the Investor has access to adequate information about the Company in order to make an informed investment decision.

The information set forth in Item 1.01 of this Current Report on Form 8-K is incorporated into this Item 3.02 by reference.

Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

2009 Plan

Effective upon the closing of the Merger, the Company (i) amended its 2009 Omnibus Incentive Compensation Plan (as amended, the "2009 Plan") to permit the grant of inducement awards under NASDAQ Listing Rule 5635 and (ii) granted inducement stock options under the 2009 Plan to 91 employees of Feeney Wireless to acquire an aggregate of 323,000 shares of Common Stock.

2015 Plan

Commencing April 1, 2015, officers and employees of the Company ("Participants") will be eligible to receive bonuses under the 2015 Corporate Bonus Plan (the "2015 Plan"), with target bonus amounts set as a percentage of base salary based on rank or job title within the Company ("Bonus Awards"). Bonus Awards under the 2015 Plan will relate only to the second through fourth quarters of the Company's 2015 fiscal year (the "Performance Period") and payouts will be 75% of the payout that would have been applicable for a bonus plan based on a full fiscal year.

Under the terms of the 2015 Plan, 75% of each Participant's Bonus Award will be based on achievement of the Company objectives, with 25% of each Bonus Award earned if the Company meets each of its (i) revenue, (ii) non-GAAP gross margin and (iii) adjusted EBITDA objectives for the Performance Period. Achievement of at least 85% of the revenue or non-GAAP gross margin performance goals and 50% of the adjusted EBITDA performance goal is required for any payment of the portion of each Bonus Award that is based on achievement by the Company of such goals. The remaining 25% of each Participant's Bonus Award will be determined by the Compensation Committee of the Board of Directors of the Company based on individual performance during the Performance Period.

The foregoing descriptions of the 2009 Plan and the 2015 Plan do not purport to be complete and are subject to, and qualified in their entirety by, the full text of such documents, copies of which are attached hereto as Exhibit 10.2 and Exhibit 10.3, respectively, and the terms of which are incorporated herein by reference.

Item 8.01 Other Events.

On March 30, 2015, the Company issued a press release announcing the completion of the Merger and the grant of inducement stock options to certain employees of Feeney Wireless. A copy of the press release is attached as Exhibit 99.1 to this Current Report on Form 8-K and is incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits.

(a) Financial Statements of Businesses Acquired.

The financial statements required by this Item 9.01(a) will be filed by amendment to this Current Report on Form 8-K not later than 71 calendar days after the date on which this Current Report on Form 8-K is required to be filed.

(b) Pro Forma Financial Information.

The pro forma financial statements required by this Item 9.01(b) will be filed by amendment to this Current Report on Form 8-K not later than 71 calendar days after the date on which this Current Report on Form 8-K is required to be filed.

(d) Exhibits.

Exhibit Number	Description
2.1*	Agreement and Plan of Merger, dated March 27, 2015, by and among Novatel Wireless, Inc., Duck Acquisition, Inc., R.E.R. Enterprises, Inc., the stockholders of R.E.R. Enterprises, Inc. and Ethan Ralston, as the representative of the stockholders.
4.1	Warrant to Purchase Common Stock issued to HC2 Holdings 2, Inc. on March 26, 2015.
10.1	Joinder and Second Amendment to Credit and Security Agreement and Other Loan Documents and Consent, dated March 27, 2015, by and among Novatel Wireless, Inc., Enfora, Inc., R.E.R. Enterprises, Inc., Feeney Wireless, LLC, Feeney Wireless IC-DISC, Inc., and Wells Fargo Bank, National Association.
10.2	2009 Omnibus Incentive Compensation Plan, as amended.
10.3	2015 Corporate Bonus Plan, effective April 1, 2015.
99.1	Press Release, dated March 30, 2015.

* Certain schedules and exhibits to this agreement have been omitted in accordance with Item 601(b)(2) of Regulation S-K. A copy of any omitted schedule and/or exhibit will be furnished supplementally to the SEC upon request.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

NOVATEL WIRELESS, INC.

By: /s/ Michael A. Newman

Michael A. Newman
Executive Vice President, Chief Financial Officer and Secretary

Date: April 1, 2015

Exhibit 2.1

AGREEMENT AND PLAN OF MERGER

BY AND AMONG

NOVATEL WIRELESS, INC.

DUCK ACQUISITION, INC.

R.E.R. ENTERPRISES, INC.

THE STOCKHOLDERS OF R.E.R. ENTERPRISES, INC.

AND

ETHAN RALSTON
AS THE REPRESENTATIVE OF
THE STOCKHOLDERS OF R.E.R. ENTERPRISES, INC.

Dated as of March 27, 2015

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AGREEMENT AND PLAN OF MERGER

This AGREEMENT AND PLAN OF MERGER (as amended or modified in accordance with its terms, this ***"Agreement"***) is made and entered into as of March 27, 2015 by and among (i) Novatel Wireless, Inc., a Delaware corporation (***"Parent"***), (ii) Duck Acquisition, Inc., an Oregon corporation and wholly owned subsidiary of Parent (***"Merger Sub"***), (iii) R.E.R. Enterprises, Inc., an Oregon corporation (the ***"Company"***), (iv) the stockholders of the Company set forth on the signature page(s) of this Agreement (the ***"Major Stockholders"***), and (v) Ethan Ralston, as the representative of the holders of Company Common Stock (the ***"Stockholders' Representative"***). Certain capitalized terms used in this Agreement are defined in **Exhibit A**.

RECITALS

A. Parent, Merger Sub and the Company intend to effect a merger of Merger Sub with and into the Company (the ***"Merger"***) in accordance with this Agreement and the Business Corporation Act of the State of Oregon (the ***"OBCA"***), pursuant to which Merger Sub will cease to exist, and the Company will become a wholly owned subsidiary of Parent.

B. The board of directors of Parent has unanimously approved and declared advisable the Merger, upon the terms and subject to the conditions set forth herein, and has determined that the Merger and the other transactions contemplated by this Agreement are fair to, and in the best interests of, Parent and its stockholders.

C. The board of directors of Merger Sub has unanimously approved and declared advisable the Merger, upon the terms and subject to the conditions set forth herein, and has determined that the Merger and the other transactions contemplated by this Agreement are fair to, and in the best interests of, Merger Sub and Parent, as the sole stockholder of Merger Sub.

D. The board of directors of the Company has unanimously approved and declared advisable the Merger, upon the terms and subject to the conditions set forth herein, and has determined that the Merger and the other transactions contemplated by this Agreement are fair to, and in the best interests of, the Company and its stockholders.

E. Simultaneously with the execution of this Agreement, and as an inducement to Parent and Merger Sub to enter into this Agreement, the Key Employees of the Company are entering into offer letters (the ***"Offer Letters"***) and nonsolicitation and noncompetition agreements (the ***"Noncompetition Agreements"***, and collectively with the Offer Letters, the ***"Employment Arrangements"***) in the forms negotiated between Parent and each such Key Employee.

F. Simultaneously with the execution of this Agreement, each of the Major Stockholders has executed and delivered to Parent a written consent pursuant to Section 60.487 of the OBCA to the adoption of this Agreement and the approval of the transactions contemplated hereby, including the Merger, which written consent shall include a release of claims against the Acquired Corporations, Parent, the Parent Subsidiaries and each of their respective Affiliates (including the Surviving Corporation) in the form attached hereto as **Exhibit B** (the ***"Written Consent and Release"***).

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants, agreements, representations and warranties hereinafter set forth and subject to the terms and conditions hereof, the parties hereto, intending to be legally bound, agree as follows:

ARTICLE I

THE MERGER

1.1 Merger of Merger Sub into the Company. At the Effective Time, subject to and upon the terms and conditions set forth in this Agreement: (i) Merger Sub shall be merged with and into the Company; (ii) the separate existence of Merger Sub shall cease; and (iii) the Company shall continue as the surviving corporation and a wholly owned subsidiary of Parent. The Company, as the surviving entity of the Merger, is hereinafter sometimes referred to as the ***"Surviving Corporation"***.

1.2 Closing; Effective Time. Unless this Agreement is terminated pursuant to Article VII hereof, the closing of the Merger and the other transactions contemplated hereby (the ***"Closing"***) will take place at 10:00 a.m. Pacific Time on a date to be specified by the parties hereto (the ***"Closing Date"***), which shall be no later than the second (2nd) Business Day after satisfaction or waiver of the conditions set forth in Article VI (other than those conditions that by their terms are to be satisfied at the Closing), unless another time or date is agreed to in writing by the parties hereto. The Closing shall take place at the offices of Paul Hastings LLP located at 4747 Executive Drive, 12th Floor, San Diego, California 92121, or at such other location as the parties hereto shall mutually agree. On the Closing Date, the parties hereto shall cause the Merger to be consummated by filing articles of merger substantially in the form of **Exhibit C** (the ***"Articles of Merger"***) with the Secretary of State of the State of Oregon (the ***"Oregon Secretary"***), in accordance with the relevant provisions of the OBCA (the time of such filing, or such later time as may be agreed to in writing by the parties hereto and specified in the Articles of Merger, being referred to herein as the ***"Effective Time"***). If the Oregon Secretary requires any changes to the Articles of Merger as a condition to filing or issuing a certificate to the effect that the Merger is effective, Parent, Merger Sub, the Company and the Major Stockholders shall execute any necessary document(s) incorporating such changes, *provided that* such changes are not inconsistent with and do not result in any material change to the terms of this Agreement.

1.3 Effects of the Merger. The effects of the Merger shall be as set forth in this Agreement, the Articles of Merger and the applicable provisions of the OBCA. Without limiting the foregoing, at the Effective Time, by virtue of the Merger and in accordance with the OBCA, all of the property, rights, privileges, powers and franchises of the Company and Merger Sub shall vest in the Surviving Corporation, and all debts, liabilities, obligations and duties of the Company and Merger Sub shall become the debts, liabilities, obligations and duties of the Surviving Corporation.

1.4 Articles of Incorporation; Bylaws.

(a) At the Effective Time, the articles of incorporation of the Company shall be the articles of incorporation of the Surviving Corporation, until such articles of incorporation are amended or modified in accordance with applicable law.

(b) At the Effective Time, the bylaws of the Company shall be the bylaws of the Surviving Corporation, until such bylaws are amended or modified in accordance with the articles of incorporation of the Company and applicable law.

1.5 Board of Directors and Officers of the Surviving Corporation.

(a) The directors of Merger Sub immediately prior to the Effective Time shall be the directors of the Surviving Corporation immediately after the Effective Time, with each such director to hold office in accordance with the articles of incorporation and bylaws of the Surviving Corporation, in

each case until his or her successor is duly elected or appointed and qualified or until his or her earlier death, resignation or removal.

(b) The officers of the Surviving Corporation immediately after the Effective Time shall be those individuals set forth on Schedule 1.5(b), with each such officer to hold office in accordance with the bylaws of the Surviving Corporation, in each case until his or her successor is duly appointed and qualified or until his or her earlier death, resignation or removal.

ARTICLE II
CONVERSION OF SECURITIES; WORKING CAPITAL ADJUSTMENT

2.1 Conversion of Stock. Subject to Sections 2.3, 2.4, 2.6, 2.9, 2.10, 2.11 and 8.4, by virtue of the Merger and without any action on the part of Parent, Merger Sub, the Company or the Major Stockholders:

(a) each share of Company Common Stock (other than Excluded Shares) issued and outstanding immediately prior to the Effective Time shall be canceled and converted into the right to receive, without interest and at the times and in the manner set forth in Sections 2.3 and 2.4: (i) the Per Share Closing Cash Consideration; (ii) subject to Section 2.9, the Per Share Escrow Amount, if any; (iii) the Per Share Stock Payment; (iv) the Per Share 2015 Earn-Out Payment, if any; (v) the Per Share 2016 Earn-Out Payment, if any; (vi) the Per Share 2015 Stretch Earn-Out Payment, if any; (vii) the Per Share 2016 Stretch Earn-Out Payment, if any, and (vii) the Per Share 2017 Earn-Out Payment, if any;

(b) each share of Company Common Stock held by the Company or any of its Subsidiaries or owned by Parent or any of the Parent Subsidiaries shall be canceled, and no payment shall be made with respect thereto; and

(c) each share of common stock of Merger Sub outstanding immediately prior to the Effective Time shall be converted into and become one (1) share of common stock of the Surviving Corporation and collectively these shall constitute the only outstanding shares of capital stock of the Surviving Corporation.

2.2 Merger Consideration Definitions and Covenants.

(a) For purposes of this Agreement, the following capitalized terms shall have the meanings set forth below:

"2015 Actual Gross Profit Margin" shall be that number (rounded to the third decimal place) determined by dividing (A) the 2015 Company Gross Profit, by (B) (i) the 2015 Company Net Revenue, minus (ii) 2015 Company Excluded Net Revenue.

"2015 Additional Earn-Out Payment" shall be equal to the lesser of (A) the 2015 Additional Revenue Payment, and (B) the 2015 Additional Gross Profit Margin Payment.

"2015 Additional Gross Profit Margin Payment" shall be determined by multiplying the (A) Base Earn-Out Payment, by (ii) the 2015 Gross Profit Margin Multiplier.

"2015 Additional Revenue Payment" shall be the difference of (A) the product of (i) Maximum Earn-Out Payment, times (ii) the 2015 Revenue Multiplier, minus (B) the Base Earn-Out Payment.

“2015 Company Cost of Revenue” shall be the total Cost of Revenue incurred by the Company for the calendar year ended December 31, 2015.

“2015 Company Excluded Cost of Revenue” shall be only the 2015 Company Cost of Revenue incurred by the sale of Company Products pursuant to the programs, projects or contracts set forth on Schedule 2.2(a) under the heading “2015 Company Excepted Matters”, as such schedule may be amended from time to time pursuant to Section 2.2(b).

“2015 Company Excluded Net Revenue” shall be only the 2015 Company Net Revenue generated by the sale of Company Products pursuant to the programs, projects or contracts set forth on Schedule 2.2(a) under the heading “2015 Company Excepted Matters”, as such schedule may be amended from time to time pursuant to Section 2.2(b).

“2015 Company Gross Profit” shall be equal to (A) (i) 2015 Company Net Revenue, minus (ii) 2015 Company Excluded Net Revenue, minus (B) (i) 2015 Company Cost of Revenue, minus (ii) 2015 Company Excluded Cost of Revenue.

“2015 Company Minimum Net Revenue” shall mean $19,150,000.

“2015 Company Net Revenue” shall be the Net Revenue generated by the Company for the calendar year ended December 31, 2015.

“2015 Company Target Net Revenue” shall be equal to $38,300,000.

“2015 Earn-Out Payment” shall be the sum of (A) the Base Earn-Out Payment, plus (B) the 2015 Additional Earn-Out Payment, if any; *provided that*, if either the 2015 Company Minimum Net Revenue or the Minimum Gross Profit Margin is not achieved during calendar year 2015, the 2015 Earn-Out Payment shall be zero ($0); and *provided further that* under no circumstances will the 2015 Earn-Out Payment exceed $7,500,000.

“2015 Earn-Out Shortfall” shall be an amount equal to (A) $7,500,000, minus (B) the 2015 Earn-Out Payment; *provided that* if no 2015 Earn-Out Payment was actually paid or was payable by Parent then the 2015 Earn-Out Shortfall shall be zero (0).

“2015 Gross Profit Margin Multiplier” shall be that number (rounded to the third decimal place) determined by dividing (A) the difference between (1) the 2015 Actual Gross Profit Margin, minus (2) the Minimum Gross Profit Margin, by (B) the difference between (1) the 2015 Maximum Gross Profit Margin, minus (2) the Minimum Gross Profit Margin *provided that* the 2015 Gross Profit Margin Multiplier will under no circumstances exceed the number one (1); *and provided further that* if the 2015 Actual Gross Profit Margin is less than the Minimum Gross Profit Margin, then the 2015 Gross Profit Margin Multiplier shall be zero (0).

“2015 Maximum Gross Profit Margin” shall be equal to 0.340.

“2015 Revenue Multiplier” shall be that number (rounded to the third decimal place) determined by dividing (A) the 2015 Company Net Revenue, by (B) the 2015 Company Target Net Revenue; *provided that* the 2015 Revenue Multiplier will under no circumstances exceed the number one (1); *and provided*

further that if the 2015 Company Net Revenue is less than the 2015 Company Minimum Net Revenue, then the 2015 Revenue Multiplier shall be zero (0).

"2015 Revenue Shortfall" shall be an amount equal to (A) the 2015 Company Target Net Revenue, minus (B) the 2015 Company Net Revenue; provided that if such amount is less than zero (0), then the 2015 Revenue Shortfall shall be zero (0).

"2015 Stretch Earn-Out Payment" shall be calculated as follows: in the event that (I) the 2015 Earn-Out Shortfall is greater than zero (0), (II) Parent actually paid or there was payable any 2015 Earn-Out Payment, (III) 2016 Company Net Revenue is more than 2016 Company Target Net Revenue, and (IV) the 2016 Actual Gross Profit Margin is greater than 0.360, then the 2015 Stretch Earn-Out Payment shall be an amount determined by multiplying (A) the 2015 Earn-Out Shortfall, by (B) the quotient obtained by dividing (i) the 2016 Revenue Overage, by (ii) the 2015 Revenue Shortfall; _provided that_, if the 2015 Company Net Revenue is greater than the 2015 Company Target Revenue and each of the conditions in clauses "(I)", "(II)" "(III)" and "(IV)" are satisfied, then the 2015 Stretch Earn-Out Payment will be equal to the 2015 Earn-Out Shortfall and _further provided that_, if any of the conditions in clauses "(I)", "(II)" "(III)" or "(IV)" are not satisfied, the 2015 Stretch Earn-Out Payment shall be zero (0).

"2016 Actual Gross Profit Margin" shall be that number (rounded to the third decimal place) determined by dividing (A) the 2016 Company Gross Profit, by (B) (i) the 2016 Company Net Revenue, minus (ii) 2016 Company Excluded Net Revenue.

"2016 Additional Earn-Out Payment" shall be equal to the lesser of (A) the 2016 Additional Revenue Payment, and (B) the 2016 Additional Gross Profit Margin Payment.

"2016 Additional Gross Profit Margin Payment" shall be determined by multiplying the (A) Base Earn-Out Payment, by (ii) the 2016 Gross Profit Margin Multiplier.

"2016 Additional Revenue Payment" shall be the difference of (A) the product of (i) Maximum Earn-Out Payment, times (ii) the 2016 Revenue Multiplier, minus (B) the Base Earn-Out Payment.

"2016 Company Cost of Revenue" shall be the total Cost of Revenue incurred by the Company for the calendar year ended December 31, 2016.

"2016 Company Excluded Cost of Revenue" shall be only the 2016 Company Cost of Revenue incurred by the sale of Company Products pursuant to the programs, projects or contracts set forth on Schedule 2.2(a) under the heading "2016 Company Excepted Matters", as such schedule may be amended from time to time pursuant to Section 2.2(b).

"2016 Company Excluded Net Revenue" shall be only the 2016 Company Net Revenue generated by the sale of Company Products pursuant to the programs, projects or contracts set forth on Schedule 2.2(a) under the heading "2016 Company Excepted Matters", as such schedule may be amended from time to time pursuant to Section 2.2(b).

"2016 Company Gross Profit" shall be equal to (A) (i) 2016 Company Net Revenue, minus (ii) 2016 Company Excluded Net Revenue, minus (B) (i) 2016 Company Cost of Revenue, minus (ii) 2016 Company Excluded Cost of Revenue.

"2016 Company Minimum Net Revenue" shall mean $19,750,000.

"2016 Company Net Revenue" shall be the net revenue generated by the Company for the calendar year ended December 31, 2016.

"2016 Company Target Net Revenue" shall mean $39,500,000.

"2016 Earn-Out Payment" shall be the sum of (A) the Base Earn-Out Payment, plus (B) the 2016 Additional Earn-Out Payment, if any; *provided that*, if the either the 2016 Company Minimum Net Revenue or the Minimum Gross Profit Margin is not achieved during calendar year 2016, the 2016 Earn-Out Payment shall be zero ($0); and *provided further that* under no circumstances will the 2016 Earn-Out Payments exceed $7,500,000.

"2016 Earn-Out Shortfall" shall be an amount equal to (A) $7,500,000, minus (B) the 2016 Earn-Out Payment; *provided that* if no 2016 Earn-Out Payment was actually paid or was payable by Parent, then the 2016 Earn-Out Shortfall shall be zero (0).

"2016 Gross Profit Margin Multiplier" shall be that number (rounded to the third decimal place) determined by dividing (A) the difference between (1) the 2016 Actual Gross Profit Margin, minus (2) the Minimum Gross Profit Margin, by (B) the difference between (1) the 2016 Maximum Gross Profit Margin, minus (2) the Minimum Gross Profit Margin *provided that* the 2016 Gross Profit Margin Multiplier will under no circumstances exceed the number one (1); *and provided further that* if the 2016 Actual Gross Profit Margin is less than the Minimum Gross Profit Margin, then the 2016 Gross Profit Margin Multiplier shall be zero (0).

"2016 Maximum Gross Profit Margin" shall be equal to 0.410.

"2016 Revenue Multiplier" shall be that number (rounded to the third decimal place) determined by dividing (A) the 2016 Company Net Revenue, by (B) the 2016 Company Target Net Revenue; *provided that* the 2016 Revenue Multiplier will under no circumstances exceed the number one (1); *and provided further that* if the 2016 Company Net Revenue is less than the 2016 Company Minimum Net Revenue, then the 2016 Revenue Multiplier shall be zero (0).

"2016 Revenue Overage" shall be an amount equal to (A) the 2016 Company Net Revenue, minus (B) the 2016 Company Target Net Revenue; *provided that* in the event the amount of the 2016 Revenue Overage is equal to or greater than the 2015 Revenue Shortfall, then the 2016 Revenue Overage shall be equal to the 2015 Revenue Shortfall.

"2016 Revenue Shortfall" shall be an amount equal to (A) the 2016 Company Target Net Revenue, minus (B) the 2016 Company Net Revenue; provided that if such amount is less than zero (0), then the 2016 Revenue Shortfall shall be zero (0).

"2016 Stretch Earn-Out Payment" shall be calculated as follows: in the event that (I) the 2016 Earn-Out Shortfall is greater than zero (0), (II) Parent actually paid or there was payable any 2016 Earn-Out Payment, (III) the 2017 Company Net Revenue is more than the 2017 Company Target Net Revenue, and (IV) the 2017 Actual Gross Profit Margin is greater than 0.375, then the 2016 Stretch Earn-Out Payment shall be an amount determined by multiplying (A) the 2016 Earn-Out Shortfall, by (B) the quotient obtained by dividing (i) the 2017 Revenue Overage, by (ii) the 2016 Revenue Shortfall; *provided that*, if the 2016 Company Net Revenue is greater than the 2016 Company Target Revenue and each of the conditions in clauses "(I)", "(II)" "(III)" and "(IV)" are satisfied, then the 2016 Stretch Earn-Out Payment will be equal

to the 2016 Earn-Out Shortfall and _further provided that_, if any of the conditions in clauses “(I)”, “(II)” “(III)” or “(IV)” are not satisfied, the 2016 Stretch Earn-Out Payment shall be zero (0).

“2017 Actual Gross Profit Margin” shall be that number (rounded to the third decimal place) determined by dividing (A) the 2017 Company Gross Profit, by (B) (i) the 2017 Company Net Revenue, minus (ii) 2017 Company Excluded Net Revenue.

“2017 Company Cost of Revenue” shall be the total Cost of Revenue incurred by the Company for the calendar year ended December 31, 2017.

“2017 Company Excluded Cost of Revenue” shall be only the 2017 Company Cost of Revenue incurred by the sale of Company Products pursuant to the programs, projects or contracts set forth on Schedule 2.2(a) under the heading “2017 Company Excepted Matters”, as such schedule may be amended from time to time pursuant to Section 2.2(b).

“2017 Company Excluded Net Revenue” shall be only the 2017 Company Net Revenue generated by the sale of Company Products pursuant to the programs, projects or contracts set forth on Schedule 2.2(a) under the heading “2017 Company Excepted Matters”, as such schedule may be amended from time to time pursuant to Section 2.2(b).

“2017 Company Gross Profit” shall be equal to (A) (i) 2017 Company Net Revenue, minus (ii) 2017 Company Excluded Net Revenue, minus (B) (i) 2017 Company Cost of Revenue, minus (ii) 2017 Company Excluded Cost of Revenue.

“2017 Company Net Revenue” shall be the Net Revenue generated by the Company for the calendar year ended December 31, 2017.

“2017 Company Target Net Revenue” shall be equal to $68,500,000.

“2017 Earn-Out Payment” shall be equal to: (A) $0, if 2017 Company Net Revenue is less than $57,100,000; (B) if 2017 Company Net Revenue is equal to or greater than $57,100,000 but less than $62,800,000, then that amount equal to the product obtained by multiplying (1) $3,000,000, by (2) the 2017 Gross Profit Margin Multiplier; (C) if 2017 Company Net Revenue is equal to or greater than $62,800,000 but less than $68,500,000, then that amount equal to the product obtained by multiplying (1) $6,000,000, by (2) the 2017 Gross Profit Margin Multiplier; and (D) if 2017 Company Net Revenue is equal to or greater than $68,500,000, then that amount equal to the product obtained by multiplying (1) $10,000,000, by (2) the 2017 Gross Profit Margin Multiplier; _provided however that, notwithstanding the foregoing_, (i) if the 2017 Actual Gross Profit Margin is less than the Minimum Gross Profit Margin, or (ii) either Robert E. Ralston or Ethan Ralston voluntarily terminates his employment with the Company prior to the fourth (4th) anniversary of the Closing Date, then the 2017 Earn-Out Payment shall be zero (0) (regardless of the amount of 2017 Company Net Revenue).

“2017 Gross Profit Margin Multiplier” shall be that number (rounded to the third decimal place) equal to the sum of (A) 0.500, plus (B) the product of (1) 0.50, multiplied by (2) the quotient determined by dividing (i) (x) the 2017 Actual Gross Profit Margin, minus (y) the Minimum Gross Profit Margin, by (ii) (x) the 2017 Maximum Gross Profit Margin, minus (y) the Minimum Gross Profit Margin; _provided that_ the 2017 Gross Profit Margin Multiplier will under no circumstances exceed the number one (1); _and provided further that_ if the 2017 Actual Gross Profit Margin is less than the Minimum Gross Profit Margin, then the 2017 Gross Profit Margin Multiplier shall be zero (0).

“2017 Revenue Overage” shall be an amount equal to (A) the 2017 Company Net Revenue, minus (B) the 2017 Company Target Net Revenue; *provided that* in the event the amount of the 2017 Revenue Overage is equal to or greater than the 2016 Revenue Shortfall, then the 2017 Revenue Overage shall be equal to the 2016 Revenue Shortfall.

“2017 Maximum Gross Profit Margin” shall be equal to 0.440

“Base Earn-Out Payment” shall be equal to $3,750,000.

“Closing Cash Consideration” shall mean an amount in cash equal to (A) $9,000,000, minus (B) the Escrow Fund Amount, minus (C) the Pre-Closing Adjustment Amount, and minus (D) the Total Estimated Accrual Amount.

“Company Products” shall mean (i) those products and services of the Company developed and/or currently being marketed, or which have been marketed in the past by the Company, (ii) those products and services of the Company that may be developed after the Closing Date whereby such products and services are based substantially on or otherwise incorporates in a significant manner Acquired Corporations Owned IP, (iii) those products and services of the Company based substantially on Intellectual Property created or developed by the Company in the future or developed from Inbound Licenses obtained in the future, and (iv) the sale and licensing of Acquired Corporations Owned IP or Intellectual Property created or developed by the Company in the future.

“Cost of Revenue” shall mean the cost of revenue incurred by the Company as determined in accordance with GAAP.

“Escrow Fund Amount” shall be equal to $1,500,000.

“Fully Diluted Share Amount” shall be equal to the total number of shares of Company capital stock issued and outstanding as of immediately prior to the Effective Time.

“***Maximum Earn-Out Payment***” shall be equal to $7,500,000.

“Minimum Gross Profit Margin” shall be equal to 0.310

“Net Revenue” shall mean all revenue generated by sales of the Company Products, net of sales taxes, discounts, allowances, rebates, refunds, and chargebacks, as such revenue is determined in accordance with GAAP; *provided, however*, for the purposes of this Section 2.2, the revenue generated by sales of the Company Products to the customers set forth on Schedule 2.2 entitled “Identified Customers” shall be calculated in accordance with the Company’s historical methods of determining such revenue.

“Per Share 2015 Earn-Out Payment” shall be determined by dividing (A) the 2015 Earn-Out Payment, by (B) the Fully Diluted Share Amount.

“Per Share 2015 Stretch Earn-Out Payment” shall be determined by dividing (A) the 2015 Stretch Earn-Out Payment, by (B) the Fully Diluted Share Amount.

“Per Share 2016 Earn-Out Payment” shall be determined by dividing (A) the 2016 Earn-Out Payment, by (B) the Fully Diluted Share Amount.

"Per Share 2016 Stretch Earn-Out Payment" shall be determined by dividing (A) the 2016 Stretch Earn-Out Payment, by (B) the Fully Diluted Share Amount.

"Per Share 2017 Earn-Out Payment" shall be determined by dividing (A) the 2017 Earn-Out Payment, by (B) the Fully Diluted Share Amount.

"Per Share Closing Cash Consideration" shall be determined by dividing (A) the Closing Cash Consideration, by (B) the Fully Diluted Share Amount.

"Per Share Escrow Amount" shall be determined by dividing (A) the Escrow Fund Amount, as such amount may have been adjusted pursuant to Sections 2.6 and 8.4, by (B) the Fully Diluted Share Amount.

"Per Share Stock Payment" shall be equal to that number of shares (or fraction of a share), rounded to the third decimal place, of Parent Common Stock determined by dividing (A) the Total Stock Payment Shares, by (B) the Fully Diluted Share Amount.

"Total Estimated Accrual Amount" shall be that total amount set forth on Schedule 2.2(b).

"Total Stock Payment Shares" shall be equal to that number of shares of Parent Common Stock (rounded to the nearest whole share) determined by dividing (A) $15,000,000, by (B) the lesser of (i) the closing price of Parent Common Stock as quoted on the NASDAQ stock market on the Closing Date (or if the Closing Date is not a trading day, then the trading day immediately preceding the Closing Date), or (ii) the average closing price of Parent Common Stock, as quoted on the NASDAQ stock market, for the consecutive ten (10) trading day period commencing on the fourth (4th) trading day before the filing with the SEC by Parent of its Annual Report on Form 10-K for the year ended December 31, 2015; *provided that if,* during the period after the determination of the number of Total Stock Payment Shares and the actual issuance of such shares to the Major Stockholders, any change in the outstanding shares of capital stock of Parent shall occur as a result of any reclassification, recapitalization, stock split (including any reverse stock split) or other similar transaction, the number of Total Stock Payment Shares shall be appropriately adjusted to take into account any such change.

(b) From time to time after the Effective Time and prior to the calculation of the 2017 Earn-Out Payment, if any, Parent and the Stockholders' Representative shall discuss the sale of Company Products pursuant to certain programs, projects or contracts to determine if such programs, projects or contracts should be reflected on Schedule 2.2(a) for the purposes of performing the calculations required under Section 2.2(a). If Parent and the Stockholders' Representative mutually agree that any such program, project or contract should be reflected on Schedule 2.2(a), such schedule shall be amended and all calculations performed pursuant to Section 2.2(a) shall take into account such amendments to Schedule 2.2(a). Parent and the Stockholders' Representative shall undertake such discussions in good faith; *provided that* Parent shall have the sole discretion to determine whether Schedule 2.2(a) should be further amended in any manner.

2.3 Timing of Payment of Merger Consideration. Any payments that Parent may be obligated to make pursuant to Section 2.1 shall be made at the following times:

(c) the Per Share Closing Cash Consideration shall be paid no later than the second (2nd) Business Day after the Closing Date;

(d) the Per Share Escrow Amount shall be paid no later than the Escrow Fund Release Date;

(e) the Per Share Stock Payment shall be made no later than the tenth (10th) Business Day after the filing with the SEC by Parent of its Annual Report on Form 10-K for the year ended December 31, 2015;

(f) the Per Share 2015 Earn-Out Payment, if any, shall be made no later than the tenth (10th) Business Day after the filing with the SEC by Parent of its Annual Report on Form 10-K for the year ended December 31, 2015;

(g) the Per Share 2016 Earn-Out Payment, if any, shall be made no later than the tenth (10th) Business Day after the filing with the SEC by Parent of its Annual Report on Form 10-K for the year ended December 31, 2016;

(h) the Per Share 2015 Stretch Earn-Out Payment, if any, shall be made no later than the tenth (10th) Business Day after the filing with the SEC by Parent of its Annual Report on Form 10-K for the year ended December 31, 2016;

(i) the Per Share 2016 Stretch Earn-Out Payment, if any, shall be made no later than the tenth (10th) Business Day after the filing with the SEC by Parent of its Annual Report on Form 10-K for the year ended December 31, 2017; and

(j) the Per Share 2017 Earn-Out Payment, if any, shall be made no later than the third (3rd) Business Day after the fourth (4th) anniversary of the Closing Date.

2.4 Consideration Type; Calculation of Stock Payments.

(c) Parent shall be entitled, at its sole and absolute discretion, to pay all or any portion of any of the (i) 2015 Earn-Out Payment, (ii) 2016 Earn-Out Payment, (iii) 2015 Stretch Earn-Out Payment, (iv) 2016 Stretch Earn-Out Payment, or (v) 2017 Earn-Out Payment, in cash or by the issuance of shares of Parent Common Stock.

(d) In the event Parent elects to make all or any portion of the payments set forth in clauses "(i)" through "(v)" of Section 2.4(a) in shares of Parent Common Stock, then the exact number of shares of Parent Common Stock to be issued in satisfaction of such payment shall be equal to that number of shares (rounded to the nearest whole share) determined by dividing (A) the dollar amount of all or a portion of the applicable payment to be made, by (B) the average closing price of Parent Common Stock, as quoted on the NASDAQ stock market, for the ten (10) consecutive trading day period commencing on the fourth (4th) trading day before the day of determination of whether any applicable earn-out payment is owed by Parent.

2.5 Pre-Closing Working Capital Adjustment.

(a) No later than three (3) Business Days prior to the Closing Date, the Company shall deliver to Parent the Company's estimated Working Capital Amount as of the Closing Date (the ***"Estimated Working Capital Amount"***) on a working capital statement in form and substance reasonably satisfactory to Parent (the ***"Estimated Working Capital Statement"***). The Estimated Working Capital Statement shall set forth in reasonable detail the Company's calculations of each line item included in the Estimated Working Capital Amount. Each of the line items reflected in the Estimated Working Capital Statement shall be prepared in accordance with GAAP, applied on a basis that is consistent with

the Acquired Corporations Financial Statements. The chief executive officer and president of the Company and the chairman of the Company shall both certify in writing that, solely based on their Knowledge, the Estimated Working Capital Statement fairly presents in all material respects the Estimated Working Capital Amount. The Company shall thereafter provide Parent with access to the working papers of the Company relating to the Estimated Working Capital Statement and the Estimated Working Capital Amount, as well as any other information used in preparing the Estimated Working Capital Statement or the Estimated Working Capital Amount as is reasonably requested by Parent.

(b) The ***"Pre-Closing Working Capital Amount"*** shall be an amount equal to: (A) if, prior to the Closing Date, Parent does not object to the Estimated Working Capital Amount or Estimated Working Capital Statement by delivering written notice of such objection to the Company, then the Estimated Working Capital Amount; or (B) if Parent provides such written notice of objection to the Company, then, after the Parent and Company discuss in good faith the objection and attempt to agree on a Working Capital Amount, (i) if Parent and Company are able to agree on a Working Capital Amount, then the agreed upon amount, or (ii) if Parent and Company are not able to agree on a value, then the lesser of the Estimated Working Capital Amount and the Target Working Capital Amount.

(c) The ***"Pre-Closing Adjustment Amount"*** shall be an amount equal to: (A) if the Pre-Closing Working Capital Amount is equal to or greater than the Target Working Capital Amount, then $0; or (B) if the Pre-Closing Working Capital Amount is less than the Target Working Capital Amount, then (i) the Target Working Capital Amount, minus the Pre-Closing Working Capital Amount.

2.6 Post-Closing Working Capital Adjustment.

(a) Within ninety (90) days following the Closing Date, Parent shall prepare and deliver to the Stockholders' Representative a calculation of the Company's Working Capital Amount as of the Closing Date (the ***"Parent Prepared Working Capital Amount"***) on a working capital statement (the ***"Parent Prepared Working Capital Statement"***). The Parent Prepared Working Capital Statement shall set forth in reasonable detail Parent's calculations of each line item included in the Parent Prepared Working Capital Amount. Each of the line items reflected in the Parent Prepared Working Capital Statement shall be prepared in accordance with GAAP, applied on a basis that is consistent with the Acquired Corporations Financial Statements.

(b) If the Stockholders' Representative disagrees with the Parent Prepared Working Capital Statement or the Parent Prepared Working Capital Amount, then during the thirty (30) days following the date of the Stockholders' Representative's receipt of the Parent Prepared Working Capital Statement, Parent and the Surviving Corporation shall each provide the Stockholders' Representative with access to the books and records of the Surviving Corporation relating to the Parent Prepared Working Capital Statement and the resulting Parent Prepared Working Capital Amount, as well as any other information as is reasonably requested by the Stockholders' Representative. The Parent Prepared Working Capital Statement and the resulting calculation of the Parent Prepared Working Capital Amount shall become final and binding at the end of such thirty (30) day period unless, prior to the end of such period, the Stockholders' Representative has delivered to Parent written notice of its disagreement with such Parent Prepared Working Capital Statement and the resulting calculation of the Parent Prepared Working Capital Amount (a ***"Disagreement Notice"***), specifying the nature and amount of any disputed item, to the extent then known. Provided that Parent has provided the Stockholders' Representative with access to the working papers of Parent and the Surviving Corporation in accordance with the first sentence of this subsection (b), the Stockholders' Representative and Parent shall be deemed to have agreed with all items and amounts in the Parent Prepared Working Capital Statement not specifically referenced in the

Disagreement Notice, and, absent manifest error, such items and amounts shall not be subject to review in accordance with Section 2.6(c) below.

(c) In the event that any Disagreement Notice is timely provided to Parent pursuant to Section 2.6(b), Parent and the Stockholders' Representative shall cooperate for a period of thirty (30) days after Parent's receipt of the Disagreement Notice (or such longer period as Parent and the Stockholders' Representative may mutually agree) to resolve any disagreements with respect to the Parent Prepared Working Capital Statement and the Parent Prepared Working Capital Amount. If, at the end of such thirty (30) day period, Parent and the Stockholders' Representative are unable to resolve any disagreements with respect to the Parent Prepared Working Capital Statement or the Parent Prepared Working Capital Amount, then an independent accounting firm of recognized national standing as may be mutually selected by Parent and the Stockholders' Representative (the ***"Auditor"***) shall be engaged to resolve any remaining disagreements with respect to the Parent Prepared Working Capital Statement and/or the Parent Prepared Working Capital Amount. Parent and the Stockholders' Representative shall instruct the Auditor to determine as promptly as practicable, but in any event within thirty (30) days of the date on which such dispute is referred to the Auditor, whether and to what extent the Parent Prepared Working Capital Statement and/or the Parent Prepared Working Capital Amount requires adjustment; provided, however, that, absent manifest error, the Auditor shall be authorized to resolve only those items remaining in dispute between Parent and the Stockholders' Representative in accordance with the provisions of Section 2.6(b), in each case within the range of the difference between Parent's position with respect thereto and the Stockholders' Representative's position with respect thereto. The fees and expenses of the Auditor shall be divided evenly between Parent and the Stockholders' Representative.

(d) The ***"Post-Closing Working Capital Amount"*** shall be an amount equal to: (A) if Parent does not provide a Parent Prepared Working Capital Amount to the Stockholders' Representative within the ninety (90) day period provided for in Section 2.6(a), the Pre-Closing Working Capital Amount; (B) if the Stockholders' Representative does not provide a Disagreement Notice to Parent within the thirty (30) day period provided for in Section 2.6(b), the Parent Prepared Working Capital Amount as presented by Parent in the Parent Prepared Working Capital Statement; (C) if the Stockholders' Representative provides a Disagreement Notice to Parent within the thirty (30) day period provided for in Section 2.6(b) and Parent and the Stockholders' Representative are able to resolve any disagreements with respect to the Parent Prepared Working Capital Statement and the Parent Prepared Working Capital Amount pursuant to the first sentence of Section 2.6(c), the as-adjusted Parent Prepared Working Capital Amount as may be agreed to in writing by Parent and the Stockholders' Representative; or (D) if the Stockholders' Representative provides a Disagreement Notice to Parent within the thirty (30) day period provided for in Section 2.6(b) and Parent and the Stockholders' Representative are unable to resolve any disagreements with respect to the Parent Prepared Working Capital Statement and/or the Parent Prepared Working Capital Amount pursuant to the first sentence of Section 2.6(c), the as-adjusted Parent Prepared Working Capital Amount as determined by the Auditor pursuant to Section 2.6(c).

(e) The ***"Post-Closing Adjustment Amount"*** shall be an amount equal to: (A) if the Post-Closing Working Capital Amount is equal to or greater than the Target Working Capital Amount, or equal to or greater than the Pre-Closing Working Capital Amount, then $0; or (B) if the Post-Closing Working Capital Amount is less than the Target Working Capital Amount and is less than the Pre-Closing Working Capital Amount, then the absolute value of the difference of (1) the Pre-Closing Adjustment Amount, minus (2) the Target Working Capital Amount, minus the Post-Closing Working Capital Amount.

(f) Parent shall recover any amounts to be made pursuant to Section 2.6(e) within ten (10) Business Days of the final determination of the Post-Closing Adjustment Amount pursuant to Section 2.6(e) and, if not paid within such ten (10) Business Day period, shall bear interest from the end of such

period to the date of such payment at a rate, calculated daily on the basis of a year of 365 days and the actual number of days elapsed, equal to the Prime Rate of interest as announced or published in *The Wall Street Journal, Western Edition*.

(g) Parent shall be entitled to recover any amounts to be made pursuant to Section 2.6(e) from the Escrow Fund, and Parent and the Stockholders' Representative shall deliver joint written instructions to the Escrow Agent directing the Escrow Agent to release such amount to Parent. In the event the amount of the Escrow Fund is insufficient to satisfy the Pre-Closing Adjustment Amount, then any shortfall shall be satisfied by a reduction in Total Stock Payment Shares, with such reduction in the number of shares of Parent Common Stock being determined by dividing (A) the amount of Losses required to be paid, by (B) the lesser of (i) the closing price of Parent Common Stock as quoted on the NASDAQ stock market on the date the Loss occurred, (ii) the closing price of Parent Common Stock as quoted on the NASDAQ stock market on the Closing Date, or (iii) the closing price of Parent Common Stock as quoted on the NASDAQ stock market on the tenth (10th) trading day after the filing with the SEC by Parent of its Annual Report on Form 10-K for the year ended December 31, 2015.

2.7 Treatment of Other Company Securities.

(a) Prior to the Effective Time, the Company shall take all actions necessary to: (i) terminate any Acquired Corporations Stock Option Plan as of the Effective Time; and (ii) provide that each option to purchase shares of Company Common Stock granted under the Acquired Corporations Stock Option Plan or outside of the Acquired Corporations Stock Option Plan (each, a ***"Company Stock Option"***) that is outstanding and unexercised (without regard to the exercise price of such Company Stock Option) as of immediately prior to the Effective Time, whether vested or unvested, shall become fully vested and exercisable immediately prior to and contingent upon the Closing.

(b) Each Company Stock Option that is outstanding and unexercised immediately prior to the Effective Time will, on the terms and subject to the conditions set forth in this Agreement, by virtue of the Merger and without any action on the part of Parent, Merger Sub, the Company or any holder of Company Stock Options, thereafter no longer be exercisable but will entitle the holder of such Company Stock Option to receive:

(i) upon the Closing, an amount in cash equal to: (A) the product of (i) the Per Share Closing Cash Consideration, multiplied by (ii) the total number of shares of Company Common Stock subject to such Company Stock Options, minus (B) the Aggregate Option Exercise Price applicable to such Company Stock Option; and

(ii) without interest, and at the times and in the manner set forth in Sections 2.3 and 2.4: (i) the Per Share Closing Cash Consideration; (ii) subject to Section 2.9, the Per Share Escrow Amount, if any; (iii) the Per Share Stock Payment; (iv) the Per Share 2015 Earn-Out Payment, if any; (v) the Per Share 2016 Earn-Out Payment, if any; (vi) the Per Share 2015 Stretch Earn-Out Payment, if any; (vii) the Per Share 2016 Stretch Earn-Out Payment, if any, and (viii) the Per Share 2017 Earn-Out Payment, if any.

(c) Notwithstanding the foregoing, if the exercise price per share of Company Common Stock subject to any Company Stock Option is less than the Per Share Closing Cash Consideration, then the holder of such Company Stock Option shall not be entitled to receive any consideration under this Section 2.7.

(d) All payments in respect of Company Stock Options shall be disbursed to the Surviving Corporation and the Surviving Corporation shall promptly cause such amounts to be disbursed through the Surviving Corporation's payroll system, net of applicable Tax withholding, to the holders of Company Stock Options entitled thereto.

2.8 Closing of the Company's Transfer Books. At the Effective Time, holders of certificates representing shares of Company Common Stock (each, a ***"Company Stock Certificate"***) that were outstanding immediately prior to the Effective Time shall cease to have any rights as stockholders of the Company, except the right to receive a portion of the Merger Consideration as set forth in this Agreement (or, if applicable, appraisal rights) and the stock transfer books of the Company shall be closed with respect to all shares of such Company Common Stock outstanding immediately prior to the Effective Time. At the Effective Time, holders of Company Stock Options that were outstanding immediately prior to the Effective Time shall cease to have any rights with respect thereto. No further transfer of any Company Securities shall be made on such stock transfer books after the Effective Time, and no exercise of any Company Stock Option shall be permitted, acknowledged or accepted after the Effective Time. If, after the Effective Time, a valid Company Stock Certificate is presented to the Surviving Corporation or Parent, such Company Stock Certificate shall be canceled and shall be exchanged as provided in Section 2.10.

2.9 Escrow Fund; Share of Escrow.

(a) Upon the Closing, a cash escrow (the ***"Escrow Fund"***) in an amount equal to the Escrow Fund Amount will be established out of the Closing Cash Consideration to serve as collateral and security for certain rights of the Parent Indemnified Parties hereunder.

(b) At or prior to the Effective Time, Parent, the Stockholders' Representative and the Escrow Agent shall enter into an escrow agreement substantially in the form of **Exhibit D** (the ***"Escrow Agreement"***), which provides, among other things, for payments, as necessary, to secure the rights of the Parent Indemnified Parties as set forth in Article VIII. At the Closing, Parent shall deposit the Escrow Fund Amount with the Escrow Agent. The Escrow Fund shall be held, administered and released by the Escrow Agent in accordance with the terms of the Escrow Agreement.

(c) The Major Stockholders and, in the event that the Required Stockholder Approvals are received, all holders of Company Securities, shall, without any further action by such holders, be deemed to have consented to and approved: (i) the use of the Escrow Fund as collateral to secure the rights of the Indemnitees under Article VIII in the manner set forth herein and in the Escrow Agreement; (ii) the appointment of the Stockholders' Representative as the representative under the Escrow Agreement of the Persons receiving any portion of the Merger Consideration under this Agreement (other than holders of Company Common Stock that have validly asserted and not withdrawn appraisal rights under Section 60.551 *et seq* of the OBCA) and as the attorney-in-fact and agent for, and on behalf of, each such Person; and (iii) all other arrangements relating to the transactions contemplated by this Agreement, including the Merger.

(d) The portion of the Escrow Fund attributable to each holder of Company Securities shall be equal to such party's Pro Rata Share of Escrow.

2.10 Payment of Consideration and Exchange Procedures.

(a) On or prior to the Closing Date, Parent shall deliver to the record holders of Company Stock Certificates and Company Stock Options a letter of transmittal in customary form, and instructions for use in effecting the surrender of Company Stock Certificates or Company Stock Options

in exchange for any Merger Consideration payable to such holders. Upon surrender to Parent of a Company Stock Certificate or Company Stock Option, as applicable, together with a duly executed letter of transmittal and such other documents as may be reasonably requested by Parent, each holder of a Company Stock Certificate or Company Stock Option shall receive in exchange therefor the consideration payable to such holder as provided in Section 2.1. Prior to the date that any Merger Consideration is payable or otherwise deliverable pursuant to this Agreement, the Stockholders' Representative may deliver to Parent payment delivery instructions directing the payment of any Merger Consideration.

(b) From and after the Effective Time, the holders of Company Securities shall cease to have any rights with respect thereto, except as otherwise provided herein or by Law. Until surrendered as contemplated by this Section 2.10, each share of Company Common Stock (or instrument evidencing such Company Common Stock) shall be deemed, from and after the Effective Time, to represent only the right to receive the applicable portion, if any, of the Merger Consideration in accordance with this Agreement. If any Company Stock Certificate shall have been lost, stolen or destroyed, upon the making of an affidavit of that fact (and, if requested, an indemnity reasonably acceptable to Parent) by the holder claiming such Company Stock Certificate to have been lost, stolen or destroyed, Parent shall pay the applicable portion of the Merger Consideration to which such holder is entitled pursuant to the terms of this Agreement.

(c) Parent and the Surviving Corporation shall be entitled to deduct and withhold from any Merger Consideration payable or otherwise deliverable pursuant to this Agreement such amounts as Parent or the Surviving Corporation may determine that Parent or the Surviving Corporation, as applicable, may be required to deduct or withhold therefrom under the Code or under any Law, which amounts shall be treated for all purposes of this Agreement as having been paid to the applicable Person in respect of whom such deduction or withholding was made.

(d) Notwithstanding anything to the contrary in this Section 2.10(d), to the fullest extent permitted by Law, neither Parent nor the Surviving Corporation shall be liable to any holder of Company Securities for any amounts properly delivered to a Governmental Authority pursuant to any Law. Immediately prior to the time when such amounts would otherwise escheat to or become property of any Governmental Authority, any amounts remaining unclaimed by holders of Company Securities immediately prior to the Effective Time shall become, to the extent permitted by Law, the property of Parent, free and clear of any claims or interests of any holder or other Person previously entitled thereto.

2.11 Dissenting Shares. Notwithstanding any provision in this Agreement to the contrary, shares of Company Common Stock outstanding as of immediately prior to the Effective Time and held by a holder who has not voted in favor of the Merger or consented thereto in writing and who has properly demanded payment for such shares in accordance with Section 60.551 *et seq* of the OBCA (***"Dissenting Shares"***) shall not be converted into the right to receive the applicable portion of the Merger Consideration. Holders of such Dissenting Shares shall instead be entitled to receive payments for such Dissenting Shares as may be determined in accordance with Section 60.577 of the OBCA, except that if, after the Effective Time, any such holder fails to perfect, withdraws or loses the right to appraisal, such holder's Dissenting Shares shall be treated as if they had been converted as of the Effective Time into the right to receive the applicable portion of the Merger Consideration. The Company shall give Parent prompt notice of any demands received by the Company for appraisal of shares and withdrawals of any such demands, and any other communications delivered to the Company pursuant to or in connection with Section 60.551 *et seq* of the OBCA, and Parent shall have the exclusive right to direct all negotiations and proceedings with respect to such demands (including settlement offers). Except with the prior written consent of Parent,

the Company shall not settle or offer to settle, nor (unless required pursuant to a Judgment) make any payment with respect to, any such demands.

2.12 Further Action. If, at any time after the Effective Time, any further action is reasonably determined by Parent or the Surviving Corporation to be necessary to carry out the purposes of this Agreement and the transactions contemplated hereby, including the Merger, or to vest the Surviving Corporation with full right, title and possession of and to all rights and property of Merger Sub and the Company, the officers and directors of each of the Surviving Corporation and Parent shall be fully authorized (in the name of Merger Sub and the Company) to take such action.

2.13 Post-Closing Operating Covenants.

(a) At all times prior to the fourth (4th) anniversary of the Closing Date, Parent shall:

(i) operate the Surviving Corporation as a wholly owned subsidiary of Parent;

(ii) maintain a separate set of books, records and accounts from Parent or Parent's Affiliates books, records and accounts, so that the 2015 Earn-Out Payment, 2016 Earn-Out Payment and 2017 Earn-Out Payment and all of the elements thereof can be verified by the Stockholders' Representative; and

(iii) operate the Surviving Corporation's business in good faith and in a commercially reasonable manner.

(b) The Company shall pay when due the amounts set forth on Schedule 2.2(b). In the event the Company is required to pay more than the Total Estimated Accrual Amount to fully pay, satisfy and discharge the items set forth on Schedule 2.2(b), then the Major Stockholders shall promptly reimburse the Company for all such amounts paid by the Company in excess of the Total Estimated Accrual Amount. Upon request, the Company shall provide the Major Stockholders with such information reasonably requested by the Major Stockholders to evidence the payment of the amounts set forth on Schedule 2.2(b).

2.14 Preparation of the Earn-Out Statements.

(a) As soon as reasonably practicable after each fiscal year end of Parent, but not later than the date of the filing with the SEC by Parent of its Annual Report on Form 10-K for such year then ended, Parent will prepare and deliver, or cause to be prepared and delivered, to the Stockholders' Representative, at Parent's expense, a detailed statement (the ***"Earn-Out Statement"***) setting forth any amounts to be paid pursuant to Section 2.2. The Earn-Out Statement will set forth in reasonable detail Parent's calculations of any payments due pursuant to Section 2.2. Calculation of Net Revenue and Cost of Revenue for the applicable fiscal year and any amounts payable under Section 2.2 shall be prepared in accordance with GAAP. The Stockholders' Representative and its Representatives will have the right to review, at the Stockholders' Representative's expense, any of the applicable books, records and workpapers relating to the preparation of the Earn-Out Statement.

(b) Within forty-five (45) calendar days after the date that the Stockholders' Representative receives the Earn-Out Statement, the Stockholders' Representative will advise Parent in writing that the Stockholders' Representative either (i) agrees that the Earn-Out Statement was prepared in accordance with Section 2.14(a) or (ii) does not agree that such Earn-Out Statement was not prepared in accordance with Section 2.14(a), in which event the Stockholders' Representative shall give Parent a written notice stating in reasonable detail its objections (an ***"Earn-Out Objection Notice"***) to the

calculations set forth in the Earn-Out Statement. Any Earn-Out Objection Notice shall specify in reasonable detail the dollar amount of any objection and the basis therefor and the Stockholders' Representative's proposed corrections. Except to the extent the Stockholders' Representative makes an objection to a specific determination set forth in the Earn-Out Statement pursuant to an Earn-Out Objection Notice delivered to Parent within such forty-five (45)-day period, the Earn-Out Statement will be final and binding upon the parties hereto. In the event that the Stockholders' Representative delivers to Parent an Earn-Out Objection Notice, Parent and the Stockholders' Representative will negotiate in good faith to resolve any disagreements with respect to the Earn-Out Statement; provided, however, that any settlement negotiations will not be discoverable by or communicated to the Auditor.

(c) In the event that Parent and the Stockholders' Representative fail to reach agreement on the Earn-Out Statement within forty-five (45) calendar days (or such longer period as is mutually agreed) of the date of the Earn-Out Objection Notice, then Parent and the Stockholders' Representative will retain the Auditor in accordance with the procedures set forth for selecting such Auditor in Section 2.6(c) of this Agreement. The Parent and the Stockholders' Representative shall instruct the Auditor to resolve the dispute as soon as practicable, and in any event within thirty (30) days, and Parent and the Stockholders' Representative and their respective Representatives shall cooperate with the Auditor during its engagement. Each party will promptly furnish to the Auditor such work papers and other documents and information relating to the Earn-Out Payment Disputed Items (as defined below) as the Auditor may request and which are available to that party or its Representatives or, to the extent obtainable, its independent public accountants. The Auditor shall only decide specific items under dispute by the parties (the ***"Earn-Out Payment Disputed Items"***) and solely in accordance with the terms of this Agreement. In resolving any Earn-Out Payment Disputed Item, the Auditor may not assign a value to any item greater than the greatest value for such item claimed by either party or less than the smallest value for such item claimed by either party. Each party will promptly furnish to the Auditor such workpapers and other documents and information relating to the Earn-Out Payment Disputed Items as the Auditor may request and which are available to that party (or, to the extent obtainable, its independent public accountant). The Auditor's determination shall be based solely on presentations by Parent and the Stockholders' Representative (i.e., not on independent review) and on the definitions and other terms included herein.

(d) The fees and expenses of the Auditor in connection with its review of the Earn-Out Payment Disputed Items shall be allocated between the Parent, on the one hand, and the Stockholders' Representative, on the other hand, based upon the percentage which the portion of the Earn-Out Payment Disputed Items not awarded to each party bears to the amount actually contested by such party. Each of Parent and the Stockholders' Representative agree to execute, if requested by the Auditor, a reasonable engagement letter, including customary indemnification provisions in favor of the Auditor.

2.15 Acceleration of Earn Out Payments. Notwithstanding the provisions of Section 2.3, in the event of any of the following events prior to the date that is the fourth (4th) anniversary of the Closing Date: (a) occurrence of any Sale Transaction, or (b) any decision by or on behalf of the Company to seek protection from its creditors under applicable bankruptcy or similar laws (***"Acceleration Event"***), then all Earn-Out Payments not yet otherwise due and payable shall be paid within five (5) business days after the occurrence of the Acceleration Event. All Earn-Out Payments made pursuant to this Section 2.15 shall be calculated in accordance with Section 2.1 provided that if the Acceleration Event occurs prior to the date where calculations can be made with respect to any Earn-Out Payment, then the Earn-Out Payment or Earn-Out Payments for those periods shall be the maximum Earn-Out Payment or Earn-Out Payments which could otherwise have been achieved.

2.16 Section 338(h)(10) Election Gross Up Amount.

(a) Upon the Closing Date, Parent and the Major Stockholders shall jointly make an election under Section 338(h)(10) of the Code (and any comparable election under state, local or foreign Law) (the ***"Section 338(h)(10) Elections"***) with respect to the acquisition of the Company by Parent. The Major Stockholders will pay any Taxes attributable to the making of the Section 338(h)(10) Elections, whether pursuant to Section 1374 of the Code or otherwise, and will indemnify Parent against any Losses arising out of a failure to pay such Taxes, except that the Major Stockholders will not have any responsibility for any Taxes imposed by a state directly on the Company (and that are not passed through to the Major Stockholders) that are exclusively attributable to the making of the Section 338(h)(10) Elections. Parent and the Major Stockholders agree to cooperate fully with each other in the making of the Section 338(h)(10) Elections. Parent shall be responsible for the preparation and filing of all Tax Returns and forms (the ***"Section 338 Forms"***) required under applicable Law to be filed in connection with making the Section 338(h)(10) Elections. Parent shall prepare a complete set of Section 338 Forms and any additional data or materials required to be attached to IRS Form 8023 for the Major Stockholders' review and approval, not to be unreasonably withheld. The Major Stockholders shall deliver to Parent the Section 338 Forms that are required to be filed, and such documents and other forms as are reasonably required by Parent to properly complete the Section 338 Forms, within fifteen (15) days of the receipt of such documents from the Parent. Parent and the Major Stockholders shall allocate the Merger Consideration in the manner required by Section 338 of the Code and the Treasury Regulations promulgated thereunder. The parties shall use the allocation of the Merger Consideration and other applicable items among the assets of the Company set forth on Schedule 2.16 of the Company Disclosure Schedule hereto. Such allocation shall be used for all purposes of determining the aggregate deemed sales price under the applicable Treasury Regulations and in reporting the deemed sale of assets of the Company on Form 8883 (and any comparable Form under state, local or foreign Law) in connection with the Section 338(h)(10) Elections. Any indemnification payments pursuant to Article VIII hereof shall be treated as an adjustment to the Merger Consideration by the parties for Tax purposes, unless otherwise required by Law.

(b) In connection with each payment of Merger Consideration payable to the Major Stockholders under Section 2.3 (other than Section 2.3(h)), Parent shall also pay to the Major Stockholders, on the same date as the making of any payment to them under Section 2.3, an amount equal to the product of (A) the 338(h)(10) Election Gross Up Amount (as defined below) , and (B) a fraction (i) the numerator of which is the amount of the payment made to the Major Stockholders under Section 2.3 (other than 2.3(h)), and (ii) the denominator of which is $40,000,000. For purposes of this Agreement, the ***"338(h)(10) Election Gross Up Amount"*** shall be $194,666, which the Parties have determined to be the approximate amount necessary to place the Major Stockholders (taking into account all items of income, gain, loss, deduction, or credit) in the same net tax position as they would have had the parties entered into a fully-taxable sale by the Major Stockholders of their Company Common Stock without a Section 338(h)(10) Election, in both cases assuming a sale price equal to the total Merger Consideration payable to the Major Stockholders under this Agreement (other than Section 2.3(h). Notwithstanding anything to the contrary in this Section 2.16(b), in the event that the actual sum of the federal and state income tax paid by Major Stockholders solely as a result of the 338(h)(10) Election made by Parent and Major Stockholders (taking into account all items of income, loss, deduction or credit) exceeds the sum paid by Parent to Major Stockholders pursuant to Section 2.16(b), for reasons other than receipt of any Merger Consideration pursuant to Section 2.3(h), and Major Stockholders provide to Parent reasonably satisfactory evidence of such excess tax liability, then Parent shall, within thirty (30) days of receipt of such evidence, pay to Major Stockholders that sum equal to such excess tax liability.

ARTICLE III
REPRESENTATIONS AND WARRANTIES OF THE COMPANY AND MAJOR STOCKHOLDERS

The Company and each of the Major Stockholders, jointly and severally, represent and warrant to Parent and Merger Sub (i) as of the date hereof and (ii) as of the Closing Date as though such representations and warranties were made on and as of the Closing Date, as follows, in each case of clauses (i) and (ii), subject to the exceptions set forth in the disclosure schedule delivered to Parent and dated as of the date hereof (the ***"Company Disclosure Schedule"***):

3.1 Organization, Etc.

(a) Each Acquired Corporation is a corporation duly organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation, and has all requisite power and authority to own, lease and operate its properties and to carry on its business as currently conducted by such Acquired Corporation. Each Acquired Corporation is duly qualified to do business and is in good standing (with respect to jurisdictions that recognize such concept) in each foreign jurisdiction where the character of its owned or leased properties or the nature of its activities makes such qualification necessary. Each Acquired Corporation has made available to Parent accurate and complete copies of its articles of incorporation, bylaws, and other comparable charters or organizational documents, as amended to date. No Acquired Corporation is in default under, or in violation of, any provision of its articles of incorporation, bylaws or other comparable organizational documents. All of the issued and outstanding shares of capital stock of each of the Acquired Corporations is owned by the Company free and clear of any Encumbrance and are duly authorized, validly issued, fully paid, nonassessable and free of preemptive rights. All shares of each Acquired Corporation that is held of record or owned beneficially by the Company is held or owned free and clear of any restrictions on transfer (other than restrictions under the Securities Act and applicable Law), claims, security interests, options, warrants, rights, contracts, calls, commitments, equities and demands. There are no outstanding or authorized options, warrants, rights, agreements or commitments to which the Acquired Corporations are a party or which are binding on any of them providing for the issuance, disposition or acquisition of any capital stock of any Acquired Corporation. There are no outstanding stock appreciation, phantom stock (except as are disclosed on Schedule 3.1(a) of the Company Disclosure Schedule) or similar rights with respect to any Acquired Corporation. There are no voting trusts, proxies, or other agreements or understandings with respect to the voting of any capital stock of any Acquired Corporation.

(b) Schedule 3.1(b) of the Company Disclosure Schedule sets forth a list of each Subsidiary of the Company (each, a ***"Company Subsidiary"*** and collectively, the ***"Company Subsidiaries"***), the number of shares of outstanding capital stock, and the beneficial owner thereof for each such Subsidiary. The Company does not own or control directly or indirectly any equity, participation or similar interest in any other corporation, partnership, limited liability company, joint venture, trust, or other business association.

3.2 Authority; Binding Nature.

(a) The Company and the Major Stockholders have all requisite corporate power and authority to: (i) execute and deliver this Agreement and each of the Ancillary Agreements to which they are a party; (ii) perform their obligations under this Agreement and each such Ancillary Agreement; and (iii) consummate the transactions contemplated hereby, including the Merger. The execution and delivery of this Agreement and the Ancillary Agreements, and the consummation of the transactions contemplated hereby, including the Merger, have been duly and validly authorized by the board of directors of the

Company and no other corporate proceedings on the part of the Company are necessary to authorize this Agreement or the Ancillary Agreements or to consummate the transactions contemplated hereby, including the Merger. This Agreement has been duly and validly executed and delivered by the Company and the Major Stockholders and, assuming the due authorization, execution and delivery by each of Parent and Merger Sub, constitutes a valid and binding agreement of the Company and the Major Stockholders, enforceable against the Company and the Major Stockholders in accordance with its terms, except to the extent that its enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors' rights generally, by general equitable principles or by principles of good faith and fair dealing, regardless of whether enforcement is sought in equity or at law. Upon the execution and delivery by the Company and the Major Stockholders of each of the Ancillary Agreements to which such entity is party and assuming the due authorization, execution, and delivery by each of the other parties to such Ancillary Agreement, such Ancillary Agreement will constitute the legal, valid and binding obligations of each such party who executed and delivered such Ancillary Agreement. The Ancillary Agreements will be enforced in accordance with their terms, except to the extent that their enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors' rights generally, by general equitable principles or by principles of good faith and fair dealing, regardless of whether enforcement is sought in equity or at law.

(b) Each Major Stockholder who is a natural person is of legal age, competent to enter into a contractual obligation and a citizen of the United States of America. Each Major Stockholder that is not a natural person has the requisite power and authority to execute and deliver this Agreement and any Ancillary Agreements to which such Major Stockholder is a party and to consummate the transactions contemplated hereby and thereby. Each Major Stockholder has duly executed and delivered this Agreement and, assuming this Agreement constitutes a valid and binding obligation of Parent and Merger Sub, this Agreement constitutes a valid and binding agreement of each Major Stockholder, enforceable against such Major Stockholder in accordance with its terms, subject to (i) laws of general application relating to bankruptcy, insolvency, and the relief of debtors, and (ii) rules of law governing specific performance, injunctive relief and other equitable remedies.

3.3 No Violations, Etc. Except as set forth in Schedule 3.3, neither the execution and delivery of this Agreement, nor the consummation or performance of the transactions contemplated by this Agreement, will (a) directly or indirectly (with or without notice, lapse of time or both) conflict with, result in a breach or violation of, constitute a default (or give rise to any right of termination, cancellation, acceleration, suspension or modification of any obligation or loss of any benefit) under, constitute a change in control under, result in any payment becoming due under, result in the imposition of any Encumbrances on any of the Acquired Corporations' capital stock or any of the properties or assets of the Acquired Corporations under, or otherwise give rise to any right on the part of any Person to exercise any remedy or obtain any relief under (i) the articles of incorporation, bylaws or other comparable charters or organizational documents of any Acquired Corporation, or any resolution adopted by the stockholders or board of directors of any Acquired Corporation, in each case as amended to date, (ii) any Governmental Authorization or Contract to which any Acquired Corporation is a party or by which any Acquired Corporation is bound or to which any of its properties or assets is subject or (iii) any Law or Judgment applicable to any Acquired Corporation or any properties or assets of any Acquired Corporation; or (b) require any Acquired Corporation to obtain any consent, waiver, approval, ratification, permit, license, Governmental Authorization or other authorization of, give any notice to, or make any filing or registration with, any Governmental Authority or other Person.

3.4 Board Approval. The board of directors of the Company has: (i) approved and adopted, and declared the advisability of this Agreement, any Ancillary Agreements to which it is a party, and the transactions contemplated hereby, including the Merger; and (ii) determined that this Agreement, any Ancillary Agreements to which it is a party, and the transactions contemplated hereby, including the Merger, are fair to and in its best interests.

3.5 Capitalization.

(a) The authorized capital stock of the Company consists solely of 1,000 shares of common stock, no par value per share (the ***"Company Common Stock"***). As of the date hereof, there are: (i) 750 shares of Company Common Stock outstanding; (ii) no Company Stock Options outstanding; (iii) no shares of Preferred Stock outstanding; and (iv) no treasury shares. As of the date hereof, the Company has 250 shares of Company Common Stock reserved for issuance.

(b) All outstanding shares of capital stock of each Acquired Corporation have been duly authorized and validly issued, are fully paid and nonassessable and are not subject to, and were not issued in violation of, any preemptive rights, purchase option, call option, right of first refusal, subscription right or any similar right under any provision of Law, articles of incorporation, bylaws or other comparable charter or organizational documents, or any Acquired Corporations Contract.

(c) Schedule 3.5(c) of the Company Disclosure Schedule contains an accurate and complete list, as of the date hereof, of the names of each holder of Company Common Stock and the numbers of total shares held by each such holder. Except as set forth in Section 3.5(a) or on Schedule 3.5(c) of the Company Disclosure Schedule, there are no issued, reserved for issuance or outstanding: (i) equity interests in other voting securities of, or other ownership interests in, the Company; (ii) securities of the Company convertible into, or exchangeable for equity interests in, other voting securities of, or other ownership interests in, the Company;

(iii) warrants, calls, options or other rights to acquire from the Company, or other obligations of the Company to issue, any equity interests in other voting securities of, or other ownership interests in, the Company or securities directly or indirectly convertible into, or exercisable or exchangeable for equity interests in, other voting securities of, or other ownership interests in, the Company; or (iv) restricted shares, stock appreciation rights, performance units, contingent value rights, "phantom" stock or similar securities or rights that are derivative of, or provide economic benefits based, directly or indirectly, on the value or price of any equity interests in, other voting securities of or other ownership interests in the Company.

(d) Each Major Stockholder is the sole record and beneficial owner of the Company Common Stock set forth opposite such Major Stockholder's name on Schedule 3.5(c) of the Company Disclosure Schedule, free and clear of any security interest, pledge, mortgage, lien, charge, adverse claim of ownership or use, restriction on transfer (such as a right of first refusal or other similar rights), defect of title or other encumbrance of any kind or character other than liens or rights created by or under this Agreement. Other than this Agreement, none of the Major Stockholders nor any of their respective Affiliates is a party to, or bound by, any contract, arrangement, agreement, instrument or order (i) relating to the issuance, sale, repurchase, assignment or other transfer of any capital stock or equity securities of the Company (including securities convertible into or exchangeable for such capital stock or equity securities, warrants, subscriptions, options, and other rights to acquire such capital stock or equity securities) or the granting of preemptive rights in connection with any such issuance or sale, (ii) relating to the receipt of dividends, proxy rights or voting rights of any capital stock or other equity securities

of the Company or (iii) relating to rights to registration under the Securities Act of 1933, as amended, or the Exchange Act, of any capital stock or equity securities of the Company.

3.6 Compliance with Laws. Each Acquired Corporation is, and has at all times since January 1, 2010 been, in compliance in all material respects with all Laws. Since January 1, 2010, no Acquired Corporation has received any written notice or other written communication from any Governmental Authority or any other Person regarding any actual or alleged violation of, or failure to comply with, any Law. To the Knowledge of the Acquired Corporations, no Governmental Authority has proposed any Law that, if adopted or otherwise put into effect, would reasonably be expected to have a material adverse effect on any or all Acquired Corporations.

3.7 Acquired Corporations Financial Statements.

(a) Attached as Schedule 3.7(a) of the Company Disclosure Schedule are the following financial statements: (i) unaudited and reviewed consolidated balance sheets of the Acquired Corporations as of December 31, 2012, December 31, 2013 and December 31, 2014 and the related unaudited and reviewed consolidated statements of income, changes in stockholders' equity and cash flows for each of the fiscal years then ended (such financial statements are herein referred to collectively as the ***"Reviewed Financial Statements"***), and (ii) the unaudited and unreviewed consolidated balance sheets of the Acquired Corporations as of January 31, 2015 (the ***"2015 Acquired Corporations Balance Sheet"***) and the related unaudited and unreviewed consolidated statements of income, changes in stockholders' equity and cash flow for the two (2) months ended February 28, 2015 (the ***"Unreviewed Financial Statements"***, and together with the Reviewed Financial Statements, the ***"Acquired Corporations Financial Statements"***). Each of the Acquired Corporations Financial Statements (including, in each case, any related notes thereto): (i) is correct and complete in all material aspects, (ii) was prepared in accordance with accounting principles generally accepted in the United States (***"GAAP"***) as in effect on the date of such Acquired Corporations Financial Statements (or such other date as may be reflected in such Acquired Corporations Financial Statements), in each case applied on a consistent basis throughout the periods involved (except as may be indicated in the notes thereto or, except as such unreviewed portions of the Acquired Corporations Financial Statements may omit footnotes and may be subject to potential normal year-end adjustments, the effect of which will not, individually or in the aggregate, be material, and the absence of notes that, if presented, would not differ materially from notes to the Reviewed Financial Statements); and (iii) fairly present, in all material respects, the financial position of the Company at the respective dates thereof and the results of operations and cash flows for the periods indicated, consistent with the books and records of the Acquired Corporations (except as may be indicated in the notes thereto or except as certain portions of the Unreviewed Financial Statements may omit footnotes and may be subject to potential normal year-end adjustments, the effect of which will not, individually or in the aggregate, be material, and the absence of notes that, if presented, would not differ materially from notes to the Reviewed Financial Statements). No financial statements of any Person other than the Acquired Corporations included in the Acquired Corporations Financial Statements are required by GAAP to be included in the Acquired Corporations Financial Statements. Except as required by GAAP, no Acquired Corporation has, between the last day of its most recently ended fiscal year and the date of this Agreement, made or adopted any material change in its accounting methods, practices or policies in effect on such last day of its most recently ended fiscal year. No Acquired Corporation has had any material dispute with any of its auditors regarding accounting matters or policies during any of its past three (3) full fiscal years or during the current fiscal year that is currently outstanding or that resulted (or would reasonably be expected to result) in an adjustment to, or any restatement of, the Acquired Corporations Financial Statements. No current or former independent auditor for any Acquired Corporation has resigned or been dismissed from such

capacity as a result of or in connection with any disagreement with any Acquired Corporation on a matter of accounting practices.

(b) Except as disclosed in Schedule 3.7(b), no Acquired Corporation has extended or maintained credit, arranged for the extension of credit, or renewed an extension of credit, in the form of a personal loan to or for any director or executive officer (or equivalent thereof), stockholder or other Affiliate of any Acquired Corporation. No Acquired Corporation is a party to any off-balance sheet arrangements that could have a current or future effect upon any Acquired Corporation's consolidated financial condition or results of operations.

(c) Each Acquired Corporation maintains a system of internal accounting controls sufficient to provide reasonable assurance that: (i) all transactions are executed in accordance with management's general or specific authorizations; (ii) all transactions are recorded as necessary to permit the preparation of financial statements in conformity with GAAP and any other applicable Laws and to maintain proper accountability for assets; (iii) access to assets is permitted only in accordance with management's general or specific authorization; and (iv) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences.

3.8 Accounts Receivable. Schedule 3.8 of the Company Disclosure Schedule sets forth an accurate and complete list, including the aging, of all notes and accounts receivable as of the date of the Acquired Corporations Financial Statements. All notes receivable and accounts receivable are reflected properly on the 2015 Acquired Corporations Balance Sheet and represent or will represent valid obligations arising from sales actually made or services actually performed in the ordinary course of business and such notes and accounts receivable will, as of the Closing Date, be current and collectible, net of the respective reserve shown in the corresponding line items on the Acquired Corporations Financial Statements, as the case may be. Subject to such reserves, each such note and account receivable either has been or will be collected in full, without any setoff, within ninety (90) days after the date on which it first becomes due and payable. To the Knowledge of the Acquired Corporation, there is no contest, claim, defense or right of setoff (other than returns in the ordinary course of business) relating to the amount or validity of such note or account receivable.

3.9 Bank Accounts. Schedule 3.9 of the Company Disclosure Schedule sets forth an accurate and complete list, disclosing the name and address of each bank in which any Acquired Corporations have an account or safe deposit box, the number of any such account or any such box and the names of all persons authorized to draw thereon or to have access thereto.

3.10 Books and Records. The books of account, minute books, stock record books and other records of the Acquired Corporations, all of which have been made available to Parent, are accurate and complete in all material respects and have been maintained in accordance with sound business practices. At the Effective Time, all such books and records will be in the possession of the Company. The minute books of each Acquired Corporation contain accurate and complete records in all material respects of all meetings held of, and corporate action taken by, such Acquired Corporation's stockholders, directors and directors' committees, and no such meeting has been held for which minutes have not been prepared and are not contained in such minute books.

3.11 Inventories. Except as has been reserved against on the 2015 Acquired Corporations Balance Sheet, all the inventory of each Acquired Corporation reflected on the 2015 Acquired Corporations Balance Sheet was properly stated therein at standard cost determined in accordance with GAAP, was consistently maintained and applied by that Acquired Corporation, and was, and all the inventory thereafter

acquired and maintained by the Company through the Closing Date will have been, acquired and maintained in the ordinary course of business. Except as has been reserved against on the 2015 Acquired Corporations Balance Sheet, all of the inventory recorded on the 2015 Acquired Corporations Balance Sheet consists of, and all inventory of the Acquired Corporations on the Effective Date will consist of, items of a quality usable or saleable in the ordinary course of business and are and will be in quantities sufficient for use or sale in the ordinary course of business.

3.12 Assets. Each Acquired Corporation has good and marketable title to, or in the case of leased assets, valid leasehold interests in, all of its assets, tangible or intangible, free and clear of any Encumbrances other than Permitted Encumbrances. Each Acquired Corporation owns or leases all tangible personal property used in, or necessary to, conduct its business as conducted and as planned to be conducted by such Acquired Corporation. Each such item of tangible personal property is in good operating condition and repair, ordinary wear and tear excepted, is free from latent and patent defects, is suitable for the purposes for which it is being used and planned to be used by such Acquired Corporation and has been maintained in accordance with normal industry practice. The Major Stockholders do not, in their individual capacity, own any of the assets used in the business activities or operations of the Company.

3.13 Real Property.

(e) The Acquired Corporations own no real property.

(f) Schedule 3.13(b) contains a list as of the date hereof of (i) all real property leased or subleased by each Acquired Corporation as lessee or sublessee (the ***"Leased Real Property"***, together with the Owned Real Property, the ***"Real Property"***) and (ii) all leases or subleases of the Leased Real Property under which any Acquired Corporation leases or subleases the Leased Real Property, and all amendments, supplements and other modifications to such leases and subleases and guarantees, subordination, non-disturbance and attornment agreements relating to any such leases or subleases (the ***"Leases"***). Each Acquired Corporation, as applicable, has valid leasehold interests in the Leased Real Property. With respect to the Leases, neither the Acquired Corporations nor, to the Knowledge of the Acquired Corporations, any other party to any Lease is in breach thereof or default thereunder and there does not exist under any thereof any event which, with the giving of notice or the lapse of time, would constitute such a breach or default by any Acquired Corporation or, to the Knowledge of the Acquired Corporations, any other party to such Lease.

(g) The Real Property is supplied with utilities and other services necessary for the operation of the business conducted by the Acquired Corporations therein. No condemnation proceeding is pending or, to the Knowledge of the Acquired Corporations, threatened, which would impair the occupancy, use or value of any of the Real Property. To the Knowledge of the Acquired Corporations all buildings, structures, improvements, fixtures, building systems and equipment, and all components thereof, included in the Real Property (the ***"Improvements"***) are in good condition and repair. To the Knowledge of the Acquired Corporations there are no structural deficiencies or latent defects affecting any of the Improvements and, there are no facts or conditions affecting any of the Improvements which would, individually or in the aggregate, interfere in any material respect with the use or occupancy of the Improvements or any portion thereof in the operation of the businesses of the Acquired Corporations.

(h) To the Knowledge of the Acquired Corporations, each of the Acquired Corporations has the exclusive right to use and occupy the Leased Real Property pursuant to the terms of the real property leases, subleases and licenses listed on Schedule 3.13(b), and all Permits required to have been issued or appropriate to enable the Real Property to be lawfully occupied and used for all of the purposes for which it is currently occupied and used have been lawfully issued and are in full

force and effect. None of the Acquired Corporations has subleased, assigned or transferred any of their rights with respect to the Leased Real Property or Owned Real Property, nor have any Acquired Corporations entered into any agreement to do so. To the Knowledge of the Acquired Corporations there are no outstanding notices of any uncorrected written violations of applicable building, safety, fire or housing ordinances with respect to the Real Property. There are no purchase options, rights of first refusal or other similar contractual rights pertaining to the Real Property.

3.14 Absence of Undisclosed Liabilities. The Acquired Corporations do not have any Liabilities other than: (i) Liabilities identified as such in the "Liabilities" column of the 2015 Acquired Corporations Balance Sheet; (ii) normal and recurring Liabilities that have been incurred by the Acquired Corporations since the dates of each 2015 Acquired Corporations Balance Sheet in the ordinary course of business consistent with past practice and that do not exceed $10,000; and (iii) other accrued Liabilities included in the Estimated Working Capital Statement.

3.15 Absence of Changes or Events. Except as contemplated by this Agreement or except as expressly set forth in the 2015 Acquired Corporations Balance Sheet, since January 1, 2015:

(c) there has not occurred any event or development having a Company Material Adverse Effect;

(d) no Acquired Corporation has made capital expenditures in excess of $25,000;

(e) no Acquired Corporation has amended their articles of incorporation, bylaws or other comparable charter or governing documents;

(f) no Acquired Corporation has instituted any change in its accounting methods, principles or practices other than as required by GAAP;

(g) except as set forth on Schedule 3.15(e) of the Company Disclosure Schedule, no Acquired Corporation has declared or paid any dividends on or made any other distributions (whether in cash, stock or property) in respect of any Acquired Corporation's capital stock or other equity security or split, combined or reclassified any Acquired Corporation's capital stock or other equity security or issued or authorized the issuance of any other securities in respect of, in lieu of or in substitution for any Acquired Corporation's capital stock or other equity security (other than upon exercise of Acquired Corporation Stock Options);

(h) no Acquired Corporation has adopted any new severance plan or granted any severance or termination payments to any officer or employee of any Acquired Corporation, except payments pursuant to written agreements or policies existing on the date hereof;

(i) no Acquired Corporation has adopted or amended any Acquired Corporations Employee Benefit Plan (except as required by Law), paid any special bonus or special remuneration to any director or employee of the Company, or materially increased the salaries, wage rates, bonuses or other compensation of the officers or employees of the Company; or

(j) no Acquired Corporation has agreed, resolved or committed to do any of the actions described in clauses "(b)" through "(g)."

3.16 Litigation.

(a) Except as set forth on Schedule 3.16 of the Company Disclosure Schedule, there is no Proceeding of any nature pending or, to the Knowledge of the Acquired Corporations, threatened against any of the Acquired Corporations or any Major Stockholder or any of their respective officers, directors, trustees or managers (in their capacities as such), or involving any of their respective assets. There is no Proceeding pending or, to the Knowledge of the Acquired Corporations, threatened which in any manner challenges, seeks, or is reasonably likely, to prevent, enjoin, alter or delay the consummation of any of the transactions contemplated by this Agreement, including the Merger, or otherwise prevent or delay the Company or the Major Stockholders from performing their respective obligations hereunder.

(b) There is no outstanding Judgment to which any Acquired Corporation is or was a party or by which any Acquired Corporation or any of their respective assets is subject, the terms of which have not been satisfied by such Acquired Corporation.

3.17 Insurance. Schedule 3.17 of the Company Disclosure Schedule lists: (i) all insurance policies (including all workers' compensation insurance policies) covering the business, properties or assets of the Acquired Corporations or any Acquired Corporations Employee Benefit Plan or its fiduciaries; (ii) the premiums and coverages of such policies; and (iii) all claims in excess of $10,000 made against any such policies since January 1, 2010. All such policies are in effect, and accurate and complete copies of all such policies have been made available to Parent. No Acquired Corporation has received written notice of the cancellation or, to the Knowledge of the Acquired Corporations, threat of cancellation of any of such policies.

3.18 Contracts.

(a) Schedule 3.18(a) of the Company Disclosure Schedule sets forth an accurate and complete list of each ***"Acquired Corporations Material Contract"***. Acquired Corporations Material Contracts are those Acquired Corporations Contracts (or group of related Acquired Corporations Contracts) to which any Acquired Corporation is a party, which:

(i) involves present performance of services or delivery of goods or materials, the performance of which extends over a period of more than one year or that otherwise involves an amount or value in excess of $75,000;

(ii) is for capital expenditures in excess of $50,000;

(iii) is a mortgage, indenture, guarantee, loan or credit agreement, security agreement or other Contract relating to Indebtedness, other than accounts receivable and payable in the ordinary course of business;

(iv) is a lease or sublease of any real or personal property, or that otherwise affects the ownership of, leasing of, title to, or use of, any real or personal property other than Permitted Encumbrances (except personal property leases and conditional sales agreements having a value per item or aggregate payments of less than $10,000 and a term of less than one year);

(v) is a license or other Contract under which any Acquired Corporation has licensed or otherwise granted rights in any Acquired Corporations Intellectual Property to any Person (except for licenses implied by the sale of a product to customers in the ordinary course of business) or any Person has licensed or sublicensed to any Acquired Corporation, or otherwise authorized any

Authorized Corporation to use, any Third Party Intellectual Property (except for Internally Used Shrinkwrap Software);

(vi) is for the employment of, or receipt of any services from, any director or officer of any Acquired Corporation or any other Person on a full-time, part-time, consulting or other basis providing annual compensation in excess of $10,000;

(vii) provides for severance, termination or similar pay to any of the Acquired Corporations' current or former directors, officers, employees or consultants or other independent contractors;

(viii) provides for a loan or advance of any amount to any director or officer of the Acquired Corporations, other than advances for travel and other appropriate business expenses in the ordinary course of business;

(ix) licenses any Person to manufacture or reproduce any of the Acquired Corporations' products, services or technology or any Contract to sell or distribute any of the Acquired Corporations' products, services or technology;

(x) is a joint venture, partnership or other Contract involving any joint conduct or sharing of any business, venture or enterprise, or a sharing of profits or losses or pursuant to which any Acquired Corporation has any ownership interest in any other Person or business enterprise other than another Acquired Corporation;

(xi) contains any covenant limiting the right of the Acquired Corporations to engage in any line of business or to compete (geographically or otherwise) with any Person, granting any exclusive rights to make, sell or distribute the Acquired Corporations' products, granting any "most favored nation" or similar rights or otherwise prohibiting or limiting the right of the Acquired Corporations to make, sell or distribute any products or services;

(xii) involves payments based, in whole or in part, on profits, revenues, fee income or other financial performance measures of any Acquired Corporation;

(xiii) is a power of attorney granted by or on behalf of any Acquired Corporation;

(xiv) is a written warranty, guaranty or other similar undertaking with respect to contractual performance extended by any Acquired Corporation other than in the ordinary course of business;

(xv) is a settlement agreement with respect to any pending or threatened Proceeding entered into within three years prior to the date of this Agreement, other than (A) releases immaterial in nature or amount entered into with former employees or independent contractors of any Acquired Corporation in the ordinary course of business in connection with routine cessation of such employee's or independent contractor's employment with such Acquired Corporation, or (B) settlement agreements for cash only (which has been paid) and does not exceed $10,000 as to such settlement;

(xvi) was entered into other than in the ordinary course of business and that involves an amount or value in excess of $50,000;

(xvii) contains or provides for an express undertaking by any Acquired Corporation to be responsible for consequential damages; or

(xviii) is otherwise material to the business, properties or assets of any Acquired Corporation under which the consequences of a default or termination could have a Company Material Adverse Effect.

(b) The Company has made available to Parent an accurate and complete copy (in the case of each written Contract) or an accurate and complete written summary (in the case of each oral Contract) of each of the Acquired Corporations Material Contracts. With respect to each such Acquired Corporations Material Contract:

(i) the Contract is legal, valid, binding, enforceable and in full force and effect against the Acquired Corporations and to the Knowledge of the Acquired Corporations, the other party or parties thereto, except to the extent it has previously expired in accordance with its terms;

(ii) each Acquired Corporation has, and to the Knowledge of the Acquired Corporations, the other parties to the Contract have, performed all of their respective obligations required to be performed under the Contract;

(iii) no Acquired Corporation is, nor to the Knowledge of any Acquired Corporation is any other party to the Contract, in breach or default under the Contract and no event has occurred or circumstance exists that (with or without notice, lapse of time or both) would constitute a breach or default by such Acquired Corporation or, to the Knowledge of the Acquired Corporations, by any such other party, or permit termination, cancellation, acceleration, suspension or modification of any obligation or loss of any benefit under, result in any payment becoming due under, result in the imposition of any Encumbrances on any of the Company Common Stock or any of the properties or assets of the Acquired Corporations under, or otherwise give rise to any right on the part of any Person to exercise any remedy or obtain any relief under, the Contract, nor have the Acquired Corporations given or received notice or other communication alleging the same; and

(iv) the Contract is not under negotiation (nor has written demand for any renegotiation been made) and no party has repudiated any portion of the Contract and to the Knowledge of the Acquired Corporations there is no party to the Contract that does not intend to renew it at the end of its current term.

(c) To the Knowledge of the Acquired Corporations, no director, agent, employee or consultant or other independent contractor of any Acquired Corporation is a party to, or is otherwise bound by, any Contract, including any confidentiality, non-competition or proprietary rights agreement, with any other Person that in any way adversely affects or will affect (i) the performance of his or her duties for the Acquired Corporations, (ii) his or her ability to assign to the Acquired Corporations rights to any invention, improvement, discovery or information relating to the business of the Acquired Corporations or (iii) the ability of the Acquired Corporations to conduct their business as currently conducted or as proposed to be conducted.

(d) Except for those Contracts set forth in on Schedule 3.18(d) of the Company Disclosure Schedule, no Acquired Corporation is, party to any Contract with (i) any Governmental Authority, (ii) any prime contractor to any Governmental Authority or (iii) any subcontractor with respect to any Contract described in clause (i) or (ii) of this Section 3.18(d).

3.19 Labor Matters; Employment and Labor Contracts.

(a) No Acquired Corporation is party to any union Contract or other collective bargaining agreement, nor, to the Knowledge of the Acquired Corporations, are there any activities or proceedings of any labor union to organize any employees of the Acquired Corporations. Each of the Acquired Corporations is in compliance in all material respects with all Laws respecting employment and employment practices and occupational health and safety requirements.

(b) There is no labor strike, slowdown or stoppage pending or, to the Knowledge of the Acquired Corporations, threatened against any Acquired Corporation. No petition for certification has been filed and is pending or, to the Knowledge of the Acquired Corporations, threatened to be filed before the National Labor Relations Board with respect to any employees of any Acquired Corporation. The Acquired Corporations have no material obligations under the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended (***"COBRA"***), with respect to any former employees or qualifying beneficiaries thereunder. There are no material controversies pending or, to the Knowledge of the Acquired Corporations, threatened between any Acquired Corporation and any employees of any Acquired Corporation. Except as disclosed on Schedule 3.19(b) of the Company Disclosure Schedule, the employment of each of the employees of the Acquired Corporations is "at will" and the Acquired Corporations has no obligation to provide any particular form or period of notice prior to terminating the employment of any of their respective employees. No Acquired Corporation is currently a party, nor have they since January 1, 2010 been a party, to any Contract whereby they lease employees or other service providers from another Person.

(c) Except as set forth on Schedule 3.19(c) of the Company Disclosure Schedule, no current employee of any Acquired Corporation has given written notice of his or her intent to terminate.

(d) No current or former employee of any Acquired Corporation is, or since January 1, 2010 has been, employed by any Acquired Corporation primarily to conduct business activities outside of the United States.

(e) Schedule 3.19(e) of the Company Disclosure Schedule contains a list setting forth, (i) the name, job title, current annual base compensation (salary or hourly), and other compensation payable by any Acquired Corporation to each director, employee, officer, manager, independent contractor, consultant, agent or leased employee employed or engaged by any Acquired Corporation (each, an "***Employee***") and whether such Employees are subject to a written employment, independent contractor or consulting Contract, along with an indication of (1) which Acquired Corporation employs or engages each such Employee and each such Employee's principal work location and (2) any collective bargaining agreement to which such Employee is subject; (ii) the profit sharing, bonus, commission or other form of additional compensation paid or payable by the Acquired Corporation to or for the benefit of each such individual for the current fiscal year and any amounts owed in future fiscal years; (iii) the amount of any outstanding loan from the Acquired Corporation to any such Employee; (iv) to the extent such disclosures are permitted by applicable laws and the Health Insurance Portability and Accountability Act ("HIPAA"), leave or layoff status (including type of leave), expected date of return for non-disability-related leaves and expiration dates for disability-related leaves (and, with respect to such individual, the type of absence and the expected return to work date and, with respect to any protected leave, the last day of statutory or contractual protection); (v) whether such individual is exempt or non-exempt from overtime requirements; (vi) citizenship status (whether such Employee is a United States, Canadian citizen or otherwise) and, with respect to non-United States or non-Canadian citizens, identification of the visa or other similar permit under which such Employee is working for the Acquired Corporation and the dates of issuance and expiration of such visa or other similar permit; and (vii) identification of

any Employee who is currently performing or is expected to perform work outside of the United States or Canada for any Acquired Corporation (and the country in which such work is occurring or is expected to occur) and, with respect to each such individual, identification of the visa or other similar permit under which such Employee is performing or is expected to perform such services, along with the dates of issuance and expiration of such visa or other similar permit. All Employees performing services in the United States have provided their employer Acquired Corporation(s) with evidence that each such Employee is a citizen of, or is authorized to be employed in, the United States.

3.20 Intellectual Property.

(a) Schedule 3.20(a) of the Company Schedule Disclosure lists all Acquired Corporations Intellectual Property, specifying in each case whether such Acquired Corporations Intellectual Property is owned or controlled by or for, licensed to, or otherwise held for the benefit of the Acquired Corporations. Each item of Acquired Corporations Owned IP and to the Knowledge of the Acquired Corporations, each item of Acquired Corporations Intellectual Property (i) is valid, subsisting and in full force and effect, (ii) has not been abandoned or passed into the public domain and (iii) is free and clear of any Encumbrances. The Acquired Corporations Intellectual Property constitutes all of the Intellectual Property used in and/or necessary for the conduct of the business of the Acquired Corporations as currently conducted and as currently proposed to be conducted. Each item of Acquired Corporations Intellectual Property either (i) is exclusively owned by the Acquired Corporations or (ii) is duly and validly licensed to the Acquired Corporations under the Intellectual Property Agreements for use in the manner of the business as currently conducted and as currently proposed to be conducted. No Acquired Corporations has transferred ownership of, or granted any exclusive license of or right to use, or authorized the retention of, to any Person, any exclusive rights to use or joint ownership of, any Intellectual Property that is or was Acquired Corporations Intellectual Property.

(b) Schedule 3.20(b) of the Company Disclosure Schedule lists all license agreements and other Contracts pursuant to which any Acquired Corporation has the right to Exploit any Third Party Intellectual Property, including all modifications, amendments and supplements thereto and waivers thereunder (the ***"Inbound Licenses***") (except Schedule 3.20(b) of the Company Disclosure Schedule does not list standard end user license agreements for generally commercially available off-the-shelf software not requiring payment in excess of $1,000; although excluded from Schedule 3.20(b) of the Company Disclosure Schedule, such end user license agreements are included in the definition of Inbound Licenses). Schedule 3.20(b) of the Company Disclosure Schedule also lists all license agreements and other Contracts to which any Acquired Corporation is bound and pursuant to which any Person (other than the Acquired Corporations) is authorized to Exploit any Acquired Corporations Intellectual Property or pursuant to which any Acquired Corporation otherwise granted any rights under or with respect to any Intellectual Property to any third Person, including all modifications, amendments and supplements thereto and waivers thereunder (the ***"Outbound Licenses"***) (Outbound Licenses, collectively with the Inbound Licenses, the ***"Intellectual Property Agreements"***). Each Acquired Corporation has provided Parent with true and complete copies of all Intellectual Property Agreements. Except as set forth on Schedule 3.20(b) of the Company Disclosure Schedule, each Acquired Corporation owns all right, title and interest in and to all its respective Acquired Corporations Owned IP free and clear of all Encumbrances and free and clear of all licenses other than the Outbound Licenses. Except as set forth on Schedule 3.20(b) of the Company Disclosure Schedule, and other than the Intellectual Property Agreements, there are no Contracts governing any Acquired Corporations Owned IP nor Acquired Corporations' rights relating to any other Acquired Corporations Intellectual Property. Except as set forth on Schedule 3.20(b) of the Company Disclosure Schedule, with respect to the Intellectual Property Agreements: (i) all are valid, binding and enforceable obligations of any Acquired Corporation that is a party thereto, and to the Knowledge of the Acquired

Corporations, of other parties thereto; (ii) all Acquired Corporations and, to the Knowledge of the Acquired Corporations, each other party thereto have performed their obligations thereunder; (iii) no Acquired Corporation, or to the Knowledge of the Acquired Corporations, any other party thereto is in default or breach of any Intellectual Property Agreement; (iv) there are no restrictions on the transfer or assignment by any Acquired Corporation of any Intellectual Property Agreement to which it is a party directly, by operation of law or otherwise, which restriction would cause the transactions contemplated hereby to in any way impair any rights of such Acquired Corporation under such Intellectual Property Agreement; (v) there is no event or circumstance that with notice or lapse of time, or both, would constitute a default or event of default on the part of the Acquired Corporations or, to the Knowledge of the Acquired Corporations, any other party thereto, or give to any other party thereto the right to terminate or modify any Intellectual Property Agreement; and (vi) no Person who has licensed Intellectual Property to any Acquired Corporation has ownership rights or license rights to improvements made by that Acquired Corporation in such Intellectual Property. Except as set forth on Schedule 3.20(b) of the Company Disclosure Schedule, the Acquired Corporations have not received notice nor do the Acquired Corporations have any Knowledge that any party to any Intellectual Property Agreement intends to cancel, terminate or refuse to renew (if renewable) any Intellectual Property Agreement, or to exercise or decline to exercise any option or right thereunder. Except as set forth on Schedule 3.20(b) of the Company Disclosure Schedule, the Company will not, as a result of the execution and delivery of this Agreement or the performance of the Company's obligations hereunder, lose any rights to Exploit Acquired Corporations Intellectual Property pursuant to any Intellectual Property Agreement.

(c) Neither the execution, delivery nor performance of this Agreement or any other Ancillary Agreement nor the consummation of the transactions contemplated hereby will (i) cause the termination of, or give rise to a right of termination of, any Acquired Corporations Owned IP or Intellectual Property Agreement, (ii) result in any Acquired Corporation granting to any Person any right to, or with respect to, any Acquired Corporations Intellectual Property, (iii) impair the right of any Acquired Corporation to Exploit any Acquired Corporations Intellectual Property or result in any loss of, or the diminishment in value of, any Acquired Corporations Intellectual Property, (iv) result in any Acquired Corporation being bound by, or subject to, any non-compete or other restriction on the operation or scope of its business, or (v) result in any Acquired Corporation being obligated to pay any royalties or other amounts to any Person.

(d) Schedule 3.20(d) of the Company Disclosure Schedule accurately lists all Contracts, other than Intellectual Property Agreements, for future royalties, commissions, fees and other payments payable in connection with the Exploitation of the Acquired Corporations Intellectual Property by the Acquired Corporations. Except as set forth on Schedule 3.20(d) of the Company Disclosure Schedule, no royalties, commissions, fees or other amounts are payable or will become payable by the Acquired Corporations to any Person by reason of the Exploitation of any Acquired Corporations Intellectual Property, including, without limitation, in the conduct of the business(es) of any Acquired Corporation as currently conducted and as currently proposed to be conducted.

(e) The conduct of the business of the Acquired Corporations as previously conducted, as currently conducted and as currently proposed to be conducted (i) does not and will not infringe, violate, dilute or misappropriate any Third Party Intellectual Property or any other Intellectual Property of any other Person and (ii) does not and will not constitute unfair competition or unfair trade practices under the laws of any jurisdiction to which such Acquired Corporation is subject; provided, however, the foregoing representation and warranty set forth in this Section 3.20(e) shall be limited to the Knowledge of the Acquired Corporations to the extent any Third Party Intellectual Property licensed to an Acquired

Corporation pursuant to an Inbound License infringes, violates, dilutes or misappropriates any other Third Party Intellectual Property.

(f) Except as set forth on Schedule 3.20(f) of the Company Disclosure Schedule, there is no settled, pending or, to the Knowledge of the Acquired Corporations, threatened claim or notice (including offers to license) contesting the right of any Acquired Corporation to Exploit any Acquired Corporations Intellectual Property or otherwise related to any of the Acquired Corporations Intellectual Property, or contesting the right of any Acquired Corporation to conduct its business as previously conducted, as currently conducted or as currently proposed to be conducted, or contesting the sole, free and clear of Encumbrances ownership by any Acquired Corporation of any Acquired Corporations Owned IP (other than Acquired Corporations Owned IP exclusively licensed to the Acquired Corporation(s) under a valid, binding and enforceable exclusive license) or the validity or enforceability of any Acquired Corporations Owned IP, or alleging that the conduct of the business of any Acquired Corporation infringes, dilutes or otherwise violates any Third Party Intellectual Property or any other Intellectual Property of any other Person, nor is there any basis for such claim. No Acquired Corporations Intellectual Property is subject to any claim or any outstanding decree, order, judgment, office action or settlement agreement or stipulation that restricts in any manner the use, transfer or licensing thereof by such Acquired Corporation or that may affect the validity, use or enforceability of the Acquired Corporations Intellectual Property. No Acquired Corporation has received any oral or written opinions of counsel relating to infringement, invalidity or unenforceability of any Acquired Corporations Intellectual Property and no Acquired Corporation has Knowledge of any facts, circumstances or information that would render any Acquired Corporations Intellectual Property invalid or unenforceable. To the Knowledge of the Acquired Corporations, no Mark owned, used or applied for by or on behalf of any Acquired Corporation is confusingly similar to any Mark owned, used or applied for by any third Person.

(g) Schedule 3.20(g) of the Company Disclosure Schedule sets forth all Patents and all registrations, applications, applications for registration, certificates, filings or other documents issued by, filed with, or recorded by, any Governmental Authority by or on behalf of the Acquired Corporations of or with respect to any Patents, Copyrights, Marks or any other Acquired Corporations Owned IP (collectively, ***"Acquired Corporations IP Registrations"***). Except as set forth on Schedule 3.20(g) of the Company Disclosure Schedule, all Acquired Corporations IP Registrations are properly filed and maintained and in full force and effect, and all Acquired Corporations Intellectual Property that is the subject of any Acquired Corporations IP Registrations is valid and (with respect to Acquired Corporations Intellectual Property that is the subject of issued Acquired Corporations IP Registrations) enforceable in the applicable jurisdictions. Except as set forth on Schedule 3.20(g) of the Company Disclosure Schedule, there are no actions that must be taken by the Company within one hundred eighty (180) days after the date of this Agreement for the purpose of maintaining, perfecting, preserving or renewing any Acquired Corporations IP Registrations. No Acquired Corporation has conducted its business or used or enforced (or failed to use or enforce) the Acquired Corporations Owned IP in a manner that would result in the abandonment, cancellation or unenforceability, in any respect, of any item of the Acquired Corporations Owned IP or the Acquired Corporations IP Registrations, or in a manner which would estop, or otherwise prevent, the Acquired Corporations from enforcing the Acquired Corporations Owned IP or the Acquired Corporations IP Registrations against any other Person (other than as a result of a license granted pursuant to an Outbound License). Schedule 3.20(g) of the Company Disclosure Schedule also lists all Marks currently used by the Acquired Corporations but for which no registration has been sought and all software and other material works of authorship with respect to which any Acquired Corporation owns (solely or jointly with others), or holds any exclusive rights under, any Copyright thereto (whether or not registration of such Copyright has been granted or sought) (all such software, including any content, data or interface incorporated therein, generated thereby or used therewith, and any bug fixes, patches, updates, upgrades

or modifications thereto, the ***"Acquired Corporations Software"***). The Acquired Corporations have the sole right to prosecute and maintain the Acquired Corporations IP Registrations and to file applications and applications for registration with respect to any Acquired Corporations Owned IP (other than Acquired Corporations Owned IP exclusively licensed to the Acquired Corporations under a valid, binding and enforceable exclusive license and Acquired Corporations IP Registrations therefore).

(h) Each Acquired Corporation has taken all commercially reasonable steps to maintain the Acquired Corporations Intellectual Property and to protect, preserve and maintain the secrecy and confidentiality of their Trade Secrets and other confidential and proprietary information and data. Without limiting the foregoing, no Acquired Corporation has (i) disclosed Trade Secrets or other confidential or proprietary information to any Person, unless such disclosure was under an appropriate written nondisclosure agreement or to a person subject to a fiduciary duty to maintain the confidentiality thereof, or (ii) except as set forth on Schedule 3.20(h) of the Company Disclosure Schedule, deposited, disclosed or delivered to any Person outside of the Acquired Corporations, or permitted the deposit, disclosure or delivery to any such Person outside of the Acquired Corporations of, any source code (*e.g.*, human-readable computer programming code) version of or with respect to any Acquired Corporations Software. No Acquired Corporation has any Knowledge of any violation or unauthorized disclosure of any Trade Secret or confidential or proprietary information, or obligations of confidentiality with respect to such.

(i) Each director, officer, employee and independent contractor of each Acquired Corporation or any other Person who has been involved in, or who contributed to, the creation or development of any Acquired Corporations Intellectual Property or from whom the Acquired Corporations have acquired any Intellectual Property has, in each case, executed and delivered to such Acquired Corporation(s) a valid, enforceable and irrevocable assignment of all right, title and interest that such Person may have or may hereafter acquire in or to such Acquired Corporations Intellectual Property (including the right to seek past and future damages with respect thereto) and a valid, enforceable and irrevocable waiver of any and all moral rights that such Person may have therein, except for Acquired Corporations Intellectual Property listed on Schedule 3.20(i) of the Company Disclosure Schedule that was developed by an independent contractor under a written Inbound License that expressly provided that such Acquired Corporations Intellectual Property would be owned by the independent contractor and such Acquired Corporations Intellectual Property would be licensed back to the Acquired Corporation(s) under such Inbound License. Complete and correct copies of each of these Contracts have been delivered to Parent. No current or former director, officer, employee, consultant, contractor or any other Person has any right, license, claim, moral right or interest whatsoever in or with respect to any Acquired Corporations Owned IP.

(j) To the Knowledge of the Acquired Corporations, no current or former director, officer, employee or independent contractor of any Acquired Corporation (i) is in violation of any provision or covenant of any employment agreement, invention assignment agreement, nondisclosure agreement, non-competition agreement or any other Contract with any third Person by virtue of such director's, officer's, employee's or independent contractor's being employed by, performing services for or serving on the board of directors of any Acquired Corporation, (ii) is using or has used any Trade Secrets or other confidential or proprietary information of any third Person in connection with performing any services for the Acquired Corporations or the development or creation of any Acquired Corporations Owned IP without the permission of the Company and such third Person, or (iii) has developed or created any Acquired Corporations Owned IP that is subject to any agreement under which such director, officer, employee, or independent contractor has assigned or otherwise granted any third party any rights in or to such Acquired Corporations Owned IP. To the Knowledge of the Acquired Corporations, the employment of any current or former employee of the Acquired Corporations and the use by the Acquired Corporations

of any services of any current or former director, officer, or independent contractor have not subjected and do not subject the Acquired Corporations to any liability to any third Person for improperly engaging or soliciting such employee, director, officer or independent contractor.

(k) Except as set forth on Schedule 3.20 (k) of the Disclosure Schedules, to the Knowledge of the Acquired Corporations, there is no and has been no unauthorized use, unauthorized disclosure, infringement, dilution, violation or misappropriation by any third Person of any Acquired Corporations Owned IP. Except as set forth on Schedule 3.20(k) of the Disclosure Schedules, no Acquired Corporation has received any notice of, and the Acquired Corporations otherwise have no Knowledge that any third Person is infringing, violating, diluting or misappropriating any part of the Acquired Corporations Intellectual Property or otherwise making any unauthorized Exploitation of such Acquired Corporations Intellectual Property.

(l) A privacy statement (the ***"Privacy Statement"***) regarding the collection, retention, use and distribution of the personal information of individuals, including from visitors to the websites of the Acquired Corporations, is posted and accessible to individuals at all times on each website of the Acquired Corporations. All versions of the Privacy Statement, together with accurate information regarding the times during which such statements were in use, have been provided to the Parent. Such Privacy Statements are accurate and consistent with the actual practices of such Acquired Corporation with respect to the collection, retention, use and disclosure of individuals' personal information. The Acquired Corporations (i) comply with the Privacy Statements as applicable to any given set of personal information collected by the Acquired Corporations; (ii) comply with all applicable privacy Law regarding the collection, retention, use and disclosure of personal information; (iii) comply with all applicable payment card industry standards regarding data security; and (iv) take all appropriate and industry standard measures to protect and maintain the confidential nature of the personal information provided to the Acquired Corporations by individuals. Each Acquired Corporation has adequate technological and procedural measures in place to protect personal information collected from individuals against loss, theft and unauthorized access or disclosure. No Acquired Corporation knowingly collects, or has collected, information from or targets, or has targeted, children under the age of thirteen. No Acquired Corporation sells, rents or otherwise makes available to third parties any personal information submitted by individuals. Other than as constrained by the Privacy Statements and by applicable Law, no Acquired Corporation is restricted in its use and/or distribution of personal information collected by the Acquired Corporations. No Acquired Corporation has received any claims, notices or complaints regarding their information practices or the disclosure, retention, or misuse of any personal information. Each Acquired Corporation has completely and accurately described in the Privacy Statement the Acquired Corporations use of cookies, web beacons and other online tracking technologies.

(m) (i) The Acquired Corporations have possession of the full and complete source code and documentation of all Acquired Corporations Software; (ii) except as contemplated pursuant to the Intellectual Property Agreements, no Acquired Corporation has any binding obligation or commitment to any end user of the Acquired Corporations Software to make, develop, add or support any feature or functionality to the Acquired Corporations Software beyond the features and functionality contained within the Acquired Corporations Software as of the Closing Date, other than enhancements, versions or releases that the Acquired Corporations are obligated to deliver to all end-users under the terms of their standard licenses in the ordinary course of business; and (iii) the Acquired Corporations Software, and any other software, firmware, or hardware used by Company, does not contain, and the Acquired Corporations have taken all precautions necessary to prevent the presence of, any malicious code, program, or other internal component (*e.g.*, computer virus, computer worm, computer time bomb, Trojan horse, spyware, or similar component) (collectively, the ***"Contaminants"***) which could damage, destroy, or alter the Acquired

Corporations Software or other software, firmware, or hardware used by Parent, Surviving Corporation, or Parent's or Surviving Corporation's customers, or which could, in any unintended manner, reveal, damage, corrupt, destroy, or alter any data or other information accessed through or processed by the Acquired Corporations Software or otherwise cause unauthorized access to, or disruption, impairment, disablement, or destruction of any Systems.

(n) Schedule 3.20(n) of the Company Disclosure Schedule lists all Open Source Software used or otherwise Exploited by any Acquired Corporations in any way. The Acquired Corporations have not at any time used or otherwise Exploited any Open Source Software in such a way that creates or purports to create obligations of the Acquired Corporations with respect to any Acquired Corporations Owned IP or Acquired Corporations Software or grants or purports to grant to any third Person any rights or immunities under or with respect to any Acquired Corporations Owned IP or Acquired Corporations Software. No Acquired Corporation would under any circumstances be in violation of any license for Open Source Software if it distributed or otherwise exploited any Acquired Corporations Software under a license or other agreement that did not allow further distribution and disclosure of source code. Notwithstanding any other provision hereof, no software used or otherwise exploited by the Acquired Corporations, including any software listed on Schedule 3.20(n), is subject to any license under which an obligation to disclose source code for any software or make such source code available may be triggered by allowing users to interact with such software (in source code or object code form) remotely through a computer network. No Acquired Corporation has received any communication from any end-user indicating that the Acquired Corporations Software has failed, or is failing, to perform as warranted in the end-user software license, nor that any Acquired Corporation is in breach of any of its software specific obligations under any agreement with its end-users, except for normal service calls and requests for "bug" fixes.

(o) The computer, information technology and data processing systems, facilities and services used by or for the Acquired Corporations, including all software, hardware, networks, communications facilities, platforms and related systems and services (collectively, the ***"Systems"***), are reasonably sufficient for the existing and currently anticipated future needs of the Acquired Corporations, including as to capacity and scalability. The Systems are maintained in good working condition. There are no substantial alterations, modifications or updates to the Systems intended or required for the operations of the Acquired Corporations. The Systems are free of Contaminants. The Acquired Corporations have implemented and maintained, consistent with customary industry practices and their obligations to third Persons, security and other measures adequate to protect computers, networks, software and systems used by the Acquired Corporations to store, process or transmit Acquired Corporations Intellectual Property from unauthorized access, use or modification, as described on Schedule 3.20(o) of the Company Disclosure Schedule. All Systems are owned or rightfully possessed by, operated by and under the control of the Acquired Corporations. The Systems, the use thereof, all web sites owned or operated by the Acquired Corporations, and all other activities of the Acquired Corporations comply in all respects with applicable Law and with all current standards, guidelines and requirements promulgated by the World Wide Web Consortium (W3C) or any similar or comparable organization.

3.21 Taxes.

(a) Since October 1, 2000, the Company has had in effect continuously a valid election to be taxable as an S corporation within the meaning of Section 1361 and 1362 of the Code, as well as for state and local income tax purposes in all jurisdictions in which the Company is required to file state and local income Tax Returns, and the Company will be a validly electing S corporation up to and including the Closing Date. The Company does not have any "net unrealized built-in gains" within the meaning of

Section 1374(d) of the Code, does not own any assets that are subject to Section 1374(d)(8) of the Code, does not have any Liability for federal income Taxes (including any Taxes imposed under Section 1374 or 1375). The Company has not (a) acquired assets from another corporation in a transaction in which the Company's Tax basis for the acquired assets was determined, in whole or in part, by reference to the Tax basis of the acquired assets (or any other property) in the hands of the transferor or (b) acquired the stock of any corporation that is a qualified subchapter S subsidiary.

(b) All Tax Returns required to be filed by or on behalf of the Acquired Corporations have been timely filed, and all such Tax Returns are accurate and complete in all material respects. All Taxes of the Acquired Corporations (whether or not reflected on any Tax Return) required to be paid on or prior to the date hereof have been timely and fully paid and there are no grounds for the assertion or assessment of additional Taxes against the Acquired Corporations. No unresolved deficiencies for any Taxes have been asserted or assessed in writing against the Acquired Corporations, other than deficiencies that are reflected by reserves maintained in accordance with GAAP and which are being contested in good faith and by appropriate procedures.

(c) No Acquired Corporation: (i) has received any notice that it is being audited by any taxing authority which audit has not yet been completed; (ii) has granted any presently operative waiver of any statute of limitations with respect to, or any extension of a period for the assessment of, any Tax other than as the result of extending the due date of a Tax Return; (iii) has granted to any Person a power of attorney with respect to Taxes, which power of attorney will be in effect as of or following the Effective Time; (iv) has received notice of any claim by any taxing authority where it is not presently filing Tax Returns that it is or may be subject to taxation in that jurisdiction; or (v) has not availed itself of any Tax amnesty or similar relief in any taxing jurisdiction. No federal, state, local or foreign Tax audits, or administrative or judicial Tax proceedings are pending, being conducted, or have been threatened with respect to any of the Acquired Corporations. Except for Company's 2014 federal and state Tax Returns, no request has been made for an extension of time within which to file any Tax Return of any Acquired Corporation that has not since been filed.

(d) No Acquired Corporation is a party to or bound by any Tax indemnity, Tax sharing, or Tax allocation agreement or arrangement.

(e) There is no lien for Taxes on any of the assets of the Acquired Corporations, except for inchoate liens for Taxes not yet due and payable.

(f) The Acquired Corporations have timely and properly withheld all Taxes required to have been withheld and paid in connection with all amounts paid to or owing to any employee, independent contractor, creditor, or other third party, and have paid over all such amounts to the appropriate taxing authorities.

(g) Each of the Acquired Corporations has collected all material sales, value-added, and use Taxes required to be collected, and has remitted, or will remit on a timely basis, such amounts to the appropriate Governmental Authority (or has been furnished properly completed exemption certificates and has maintained all such records and supporting documents in the manner required by all applicable sales and use and value added Tax statutes and regulations).

(h) No Acquired Corporation is or has been a member of an affiliated group of corporations filing a consolidated federal income Tax Return (or a group of corporations filing a consolidated, combined or unitary income Tax Return under comparable provisions of state, local or foreign Tax law). None of the Acquired Corporations has any liability for the Taxes of any Person, including

under Treasury Regulation Section 1.1502-6 (or similar provision of state, local, or foreign Tax law), as a transferee or successor, by contract or otherwise.

(i) Except as set forth on Schedule 3.21(i) of the Company Disclosure Schedule, none of the Acquired Corporations will be required to include any item of income in, or exclude any item of deduction from, taxable income for any Tax period (or portion thereof) ending after the Closing Date as a result of any (i) change in method of accounting for a taxable period ending on or prior to the Closing Date; (ii) "closing agreement" as described in Section 7121 of the Code (or any corresponding or similar provision of state, local or foreign Tax law) executed on or prior to the Closing Date; (iii) installment sale or open transaction disposition made on or prior to the Closing Date; or (iv) prepaid amount or advanced payment received on or prior to the Closing Date.

(j) No Acquired Corporation is a party to or a partner in any joint venture, partnership, or other arrangement or contract that could be treated as a partnership for federal Tax purposes.

(k) All material transactions entered into by any of the Acquired Corporations with any related party have been carried out at arm's length terms and the Acquired Corporations have complied with all material transfer pricing disclosure, reporting, and other similar requirements under Section 482 (or any corresponding provision of state, local, or foreign Tax Law).

(l) With respect to any jurisdiction outside of its country of incorporation or organization, none of the Acquired Corporations (i) has a permanent establishment, office, or other fixed place of business, and (ii) has filed or had any obligation to file, and does not currently have any obligation to file, any Tax Return based on income.

(m) The Company does not have any subsidiaries other than Feeney Wireless, LLC and Feeney Wireless IC-DISC, Inc. Feeney Wireless, LLC is and has been since its date of formation an entity disregarded as separate from its owner within the meaning of Treas. Reg. 301.7701-2(c)(2)(i) and any comparable provision of state or local law in any jurisdiction in which it has any Tax filing requirement with respect to its income. Feeney Wireless IC-DISC, Inc. has had since its date of formation a valid election in effect to be treated as an Interest-Charge Domestic International Sales Corporation (or IC-DISC) within the meaning of Code Section 992 and has at all times since its formation met the requirements to be qualified as an IC-DISC under Code Section 992 and the Treasury Regulations thereunder. All commissions paid by either of the Company or Feeney Wireless, LLC to Feeney Wireless IC-DISC, Inc., and all agreements with respect thereto, have complied with the intercompany pricing rules under Code Section 994 and the Treasury Regulations thereunder.

3.22 Employee Benefit Plans; ERISA.

(a) To the Knowledge of the Acquired Corporations, Schedule 3.22(a) of the Company Disclosure Schedule lists all: (i) "employee pension benefit plans" as defined in Section 3(2) of ERISA (***"Pension Plans"***) whether or not subject to ERISA; (ii) "employee welfare benefit plans" as defined in Section 3(1) of ERISA (***"Welfare Plans"***) whether or not subject to ERISA; (iii) stock bonus, stock option, restricted stock, phantom stock, stock appreciation right, stock purchase or other equity compensation plans; bonus, profit-sharing or other incentive plans; deferred compensation arrangements; severance plans; holiday or vacation plans; sabbatical programs; relocation arrangements; or any other fringe benefit programs; and (iv) other material employee benefit or compensation plans, agreements (including any individual agreements), programs, policies or arrangements, in each case covering employees, directors and consultants of the Acquired Corporations or any ERISA Affiliates that either is maintained or contributed to by the Acquired Corporations or any ERISA Affiliates or to

which the Acquired Corporations or any ERISA Affiliates is obligated to make payments or otherwise may have any liability (collectively, the ***"Acquired Corporations Employee Benefit Plans"***).

(b) To the Knowledge of the Acquired Corporations, with respect to each Acquired Corporations Employee Benefit Plan, the Acquired Corporations are in compliance in all material respects with, have performed all material obligations required under, and are not subject to material liability under, the applicable provisions of ERISA, the Code and other Laws and the terms of such Acquired Corporations Employee Benefit Plans to the extent such apply. Each Acquired Corporations Employee Benefit Plan has been administered in compliance in all material respects with its terms and Laws, including ERISA and the Code. Each Acquired Corporations Employee Benefit Plan can be amended, terminated or otherwise discontinued at or after the Effective Time in accordance with its terms without material liability to Parent, the Acquired Corporations or the Surviving Corporation, and no Acquired Corporations Employee Benefit Plan or the assets of such plan will be subject to any surrender fees or service fees upon termination of such plan other than the normal and reasonable administrative fees associated with the termination of benefit plans.

(c) To the Knowledge of the Acquired Corporations, all of the Acquired Corporations' Pension Plans intended to qualify under Section 401(a) of the Code so qualify, and no event has occurred and no condition exists with respect to the form or operation of any Pension Plan which would cause the loss of such qualification or the imposition of any material liability, penalty or Tax under ERISA or the Code. With respect to each Acquired Corporations Employee Benefit Plan intended to be "qualified" within the meaning of Section 401(a) of the Code, each such Acquired Corporations Employee Benefit Plan and the trusts, if any, maintained thereunder, are the subjects of a favorable determination or opinion letter from the IRS with respect to its qualification or Tax exemption, as the case may be. No Acquired Corporations Employee Benefit Plan that is intended to qualify under Section 401(a) of the Code has permitted investment in Company Common Stock.

(d) There are no: (i) Proceedings pending or, to the Knowledge of the Acquired Corporations, threatened in writing by any Governmental Authority involving the Acquired Corporations Employee Benefit Plan (other than routine claims for benefits); nor (ii) Proceedings pending or, to the Knowledge of the Acquired Corporations, threatened in writing against the assets of any of the trusts under any Acquired Corporations Employee Benefit Plan or against any fiduciary of any Acquired Corporations Employee Benefit Plan or against the Acquired Corporations or any ERISA Affiliates with respect to such Acquired Corporations Employee Benefit Plan. To the Knowledge of the Acquired Corporations, there are no facts or circumstances which would form the basis for any Proceeding contemplated by this Section 3.22(d).

(e) Neither the Acquired Corporations nor any Employee of the foregoing, nor any trustee, administrator, other fiduciary or any other "party in interest" or "disqualified person" with respect to the Pension Plans or Welfare Plans maintained by the Acquired Corporations, has engaged in a "prohibited transaction" (as such term is defined in Section 4975 of the Code or Section 406 of ERISA), other than one which qualifies for an applicable statutory exemption.

(f) To the Knowledge of the Acquired Corporations, neither the Acquired Corporations nor any ERISA Affiliate sponsors, maintains, administers or contributes to, nor have they sponsored, maintained, administered or contributed to, or had any liability with respect to, any Pension Plan subject to Title IV of ERISA, Sections 412, 430 or 4971 of the Code or Section 302 of ERISA. No Acquired Corporations Employee Benefit Plan is: (i) a Multiemployer Plan; (ii) a "multiple employer plan" (within the meaning of Section 413(c) of the Code); (iii) a "voluntary employees' beneficiary

association" (within the meaning of Section 501(c)(9) of the Code); or (iv) a "multiple employer welfare arrangement" (within the meaning of Section 3(40) of ERISA).

(g) To the Knowledge of the Acquired Corporations, neither the Acquired Corporations nor any ERISA Affiliate has incurred any liability under Title IV of ERISA or Section 413 of the Code with respect to any Acquired Corporations Employee Benefit Plan that has not been satisfied in full, except for such benefits which have been accrued but not yet paid.

(h) With respect to each of the Acquired Corporations Employee Benefit Plans, accurate and complete copies of the following documents have been made available to Parent: (i) the plan document and any related trust agreement, including amendments thereto; (ii) any current summary plan descriptions and other material communications to participants relating to the plan; (iii) each plan trust, insurance, annuity or other funding contract or service provider agreement related thereto; (iv) the most recent plan financial statements and actuarial or other valuation reports prepared with respect thereto, if any; (v) the most recent United States Internal Revenue Service (the ***"IRS"***) determination letter, if any; (vi) copies of the three (3) most recent plan year nondiscrimination and coverage testing results for each plan subject to such testing requirements; and (vii) copies of any fiduciary or investment committee minutes or meeting notes for the three (3) most recent plan years. The Acquired Corporations have timely filed and delivered and made available to Parent, the three (3) most recent annual reports (Form 5500) and all schedules attached thereto for each Acquired Corporations Employee Benefit Plan that is subject to ERISA and Code reporting requirements, and to the Knowledge of the Acquired Corporations timely made all material communications with participants, the IRS, the U.S. Department of Labor, any other applicable Governmental Authority, administrators, trustees, beneficiaries and alternate payees relating to any Acquired Corporations Employee Benefit Plan.

(i) No Welfare Plan maintained by the Acquired Corporations provides for continuing benefits or coverage for any participant or any beneficiary of a participant following termination of employment, except as may be required under COBRA.

(j) To the Knowledge of the Acquired Corporations, no liability of the Acquired Corporations under any Pension Plan or Welfare Plan has been satisfied with the purchase of a contract from an insurance company as to which the Acquired Corporation has received written notice of, or that the Acquired Corporations have Knowledge of, that such insurance company is in rehabilitation or a comparable proceeding. With respect to each Welfare Plan maintained by the Acquired Corporations, all claims for which the Acquired Corporations have any liability are either: (i) insured pursuant to a contract of insurance whereby the insurance company bears any risk of loss with respect to such claims; (ii) covered under a contract with a health maintenance organization (***"HMO"***), pursuant to which the HMO bears the liability for claims; or (iii) reflected as a liability or accrued for in the Acquired Corporations Financial Statements.

(k) Except as set forth on Schedule 6.1(f) of the Company Disclosure Schedule, neither the execution and delivery of this Agreement, nor the consummation of the transactions contemplated hereby, including the Merger, will, either alone or in combination with another event: (i) entitle any current or former employee, officer, director or other service provider of the Acquired Corporations to severance pay, unemployment compensation, a change of control payment or any other payment; or (ii) accelerate the time of payment or vesting, or increase the amount of compensation due any such employee, officer, director or other service provider. Since January 1, 2010, there has been no amendment to any Acquired Corporations Employee Benefit Plan which would materially increase the expense of maintaining such Acquired Corporations Employee Benefit Plan above the level of

expense incurred with respect to such Acquired Corporations Employee Benefit Plan for the most recent fiscal year included in the Acquired Corporations Financial Statements.

(l) To the Knowledge of the Acquired Corporations, no Acquired Corporations Employee Benefit Plan is a nonqualified deferred compensation plan within the meaning of Section 409A of the Code.

(m) Each Acquired Corporations is in compliance in all material respects with the WARN Act. In the past two (2) years: (i) no Acquired Corporation has effectuated a "plant closing" (as defined in the WARN Act) affecting any site of employment or one (1) or more facilities or operating units within any site of employment or facility of its business; (ii) there has not occurred a "mass layoff" (as defined in the WARN Act) affecting any site of employment or facility of the Acquired Corporations; and (iii) no Acquired Corporation has been affected by any transaction or engaged in layoffs or employment terminations sufficient in number to trigger application of any similar state, local or foreign law or regulation. No Acquired Corporation has caused any of its employees to suffer an "employment loss" (as defined in the WARN Act) during the ninety (90) day period prior to the date hereof or any similar event that when aggregated with enough such other events would trigger the advance notice requirements of the WARN Act.

(n) To the Knowledge of the Acquired Corporations (i) the Acquired Corporations and each Acquired Corporations Employee Benefit Plan are and have been in compliance with the Patient Protection and Affordable Care Act, as amended, and the regulations and guidance issued thereunder (the ***"ACA"***), (ii) each Acquired Corporations Employee Benefit Plan has been amended (to the extent necessary) in accordance with the requirements of the ACA, and (iii) no event has occurred and no condition exists with respect to any Acquired Corporations Employee Benefit Plan that would subject the Company, any of its Subsidiaries or any Acquired Corporations Employee Benefit Plan to any material tax, fine, penalty or other material liability imposed by the ACA, ERISA, the Code or other Laws. To the Knowledge of the Acquired Corporations, each person who has provided services to the Acquired Corporations and was classified as a non-employee of the Acquired Corporations was at all times so classified properly for all purposes, including, but not limited to, each Acquired Corporations Employee Benefit Plan, the ACA, wage and hour law, and workers compensation.

3.23 Certain Business Practices. No Acquired Corporations nor, to the Knowledge of the Acquired Corporations, any director, officer, agent, employee or other Person associated with or acting on behalf of any Acquired Corporation has: (i) used any corporate funds for any unlawful contribution, gift, entertainment or other unlawful expense relating to political activity; (ii) made any direct or indirect unlawful payment to any foreign or domestic government official or employee from corporate funds; (iii) violated or is in violation of any provision of the Foreign Corrupt Practices Act of 1977, as amended, or any similar Law; or (iv) made any bribe, unlawful rebate, payoff, influence payment, kickback or other unlawful payment.

3.24 Environmental Matters.

(a) No Hazardous Materials are present, as a result of the actions of the Acquired Corporations or to the Knowledge of the Acquired Corporations as a result of any actions of any other Person, in the premises owned, occupied or leased by any Acquired Corporation, in each case as would result in a material violation of any Environmental Laws.

(b) To the Knowledge of the Acquired Corporations, no Acquired Corporation has transported, stored, used, manufactured, disposed of, released or exposed any Person to Hazardous

Materials in violation of any Environmental Law, nor have any Acquired Corporations disposed of, transported, sold, used, released, exposed any Person to or manufactured any product containing a Hazardous Material (collectively, ***"Hazardous Materials Activities"***) in violation of any Environmental Laws.

(c) No Proceeding is pending or, to the Knowledge of the Acquired Corporations, threatened, concerning any Acquired Corporations Permits, Hazardous Material or Hazardous Materials Activity of the Acquired Corporations. Since January 1, 2008, the Acquired Corporations have not received written notice that any Acquired Corporation is responsible, or potentially responsible, for the investigation, remediation, cleanup or similar action at any property presently or formerly used by the Acquired Corporations for recycling, disposal or handling of Hazardous Materials.

3.25 Customers and Suppliers. Schedule 3.25 of the Company Disclosure Schedule sets forth an accurate and complete list of (a) each customer that accounted for more than $10,000 of revenue of the Acquired Corporations during the twelve (12) months ended December 31, 2014, and the amount of revenues accounted for by each such customer during that period, (b) each supplier that is the sole supplier of any material product, service or other tangible or intangible property or license rights to each Acquired Corporation, and (c) each Acquired Corporations Partner. There exists no actual or, to the Knowledge of the Acquired Corporations, threatened termination, cancellation or material limitation of, or any material change in, the business relationship of each Acquired Corporations with any customer, supplier, group of customers or group of suppliers listed on Schedule 3.25 of the Company Disclosure Schedule. No customer of any Acquired Corporation has any right to any credit or refund for products sold or services rendered or to be rendered by such Acquired Corporation pursuant to any Contract with or practice of such Acquired Corporation other than pursuant to such Acquired Corporation's normal course return policy, which is described in reasonable detail on Schedule 3.25 of the Company Disclosure Schedule.

3.26 Product Warranty. Schedule 3.26 of the Company Disclosure Schedule lists all forms of guaranty, warranty, right of return, right of credit or other indemnity that legally bind the Acquired Corporations in connection with any licenses, goods or services sold by the Acquired Corporations. No product manufactured, sold, leased or delivered by any Acquired Corporation is subject to any guaranty, warranty or other indemnity beyond the applicable standard terms and conditions of sale or lease listed on Schedule 3.26 of the Company Disclosure Schedule. To the Knowledge of the Acquired Corporations, each product manufactured, sold, licensed, leased or delivered by the Acquired Corporations at all times has been in conformity in all respects with all applicable contractual commitments and all express and implied warranties, and no Acquired Corporation has Liability (and no facts or circumstances exist that could reasonably be expected to give rise to any Proceeding, claim or demand against any of them giving rise to any Liability) for replacement or repair thereof or other damages in connection therewith, subject only to the reserve for product warranty claims set forth in the corresponding line item on the 2015 Acquired Corporations Balance Sheet, as adjusted for the passage of time through the Closing Date in the ordinary course, consistent with the past custom and practice of the Acquired Corporations.

3.27 Product Liability. To the Knowledge of the Acquired Corporations, no Acquired Corporation has Liability (and no facts or circumstances exist that could reasonably be expected to give rise to any Proceeding, claim or demand against any of them giving rise to any Liability) arising out of any injury to individuals or property as a result of the ownership, possession or use of any product manufactured, sold, leased or delivered such Acquired Corporation.

3.28 Prepayments, Prebilled Invoices and Deposits. Schedule 3.28 of the Company Disclosure Schedule lists in reasonable detail all prepayments, prebilled invoices and deposits that have been received by the Acquired Corporations or paid by the Acquired Corporations as of the date of this

Agreement relating to any licenses, goods or services sold or purchased by the Company. All such prepayments, prebilled invoices and deposits have been properly accrued in the 2015 Acquired Corporations Balance Sheet in accordance with GAAP and applied on a consistent basis with the past practices of the Company.

3.29 Import and Export Control Laws. The Acquired Corporations have, at all times as to which the applicable statute of limitations has not yet expired, conducted their import and export transactions materially in accordance with (i) all applicable U.S. import, export and re-export controls, including the United States Export Administration Act and Regulations and Foreign Assets Control Regulations and (ii) all other applicable import/export controls of other countries with which the Acquired Corporations do business. Without limiting the foregoing:

(a) the Acquired Corporations have obtained, and are in material compliance with, all export licenses, license exceptions and other consents, notices, waivers, approvals, orders, authorizations, registrations, declarations, classifications and filings with any Governmental Authority required for (i) the export and re-export of products, services, Software and technologies and (ii) releases of technologies and Software to foreign nationals located in the United States and abroad (***"Export Approvals"***);

(b) there are no pending or, to the Knowledge of the Acquired Corporations, threatened claims against any Acquired Corporation with respect to such Export Approvals;

(c) to the Knowledge of the Acquired Corporations, there are no actions, conditions or circumstances pertaining to the Acquired Corporations' import or export transactions that may give rise to any future claims;

(d) no Export Approvals with respect to the Merger are required;

(e) neither the Acquired Corporations nor any of their Affiliates is a party to any Contract or bid with, or has conducted business with (directly or, to the Knowledge of the Acquired Corporations, indirectly), any Person located in, otherwise has any operations in, or sales to, Cuba, Myanmar (Burma), Iran, Iraq, North Korea, Libya, Rwanda, Syria or Sudan;

(f) since January 1, 2010, no Acquired Corporation has received written notice to the effect that a Governmental Authority claimed or alleged that any Acquired Corporation was not in compliance in a material respect with any applicable Laws relating to the export of goods and services to any foreign jurisdiction against which the United States or the United Nations maintains sanctions or export controls, including applicable regulations of the United States Department of Commerce and the United States Department of State; and

(g) neither the Acquired Corporations nor any of their Affiliates has made any voluntary disclosures to, or has been subject to any fines, penalties or sanctions from, any Governmental Authority regarding any past import or export control violations.

3.30 HSR Act. The Company is the ultimate parent entity for the purposes of the HSR Act and does not meet any of the "size of the person" tests under Section 7A(a)(2) of the HSR Act.

3.31 Finders or Brokers. No Acquired Corporations has, individually or collectively, employed or retained any investment banker, broker, finder or other intermediary who is entitled to any fee or commission in connection with the transactions contemplated by this Agreement, including the Merger.

3.32 Takeover Statutes. No Acquired Corporation has a class of voting stock that is listed on a national securities exchange or held of record by more than 2,000 stockholders. The Company and the Major Stockholders have taken all action necessary to exempt or exclude this Agreement and the transactions contemplated hereby, including the Merger, from: (i) the restrictions on business combinations set forth in Section 60.801 *et seq* of the OBCA; and (ii) any other similar applicable antitakeover law, statute or regulation (each, a ***"Takeover Statute"***). Accordingly, neither Section 60.801 *et seq* of the OBCA nor any other Takeover Statute applies to this Agreement or the transactions contemplated hereby, including the Merger.

3.33 Disclosure. No representation or warranty of the Company or the Major Stockholders in this Agreement and no statement in the Company Disclosure Schedule contains any material untrue statement or omits to state a material fact necessary to make the statements herein or therein, in light of the circumstances in which they were made, not misleading. No notice given pursuant to Section 5.6 will contain any untrue statement or omit to state a material fact necessary to make the statements therein or in this Agreement, in light of the circumstances in which they were made, not misleading. To the Knowledge of the Acquired Corporations, there are no facts that have specific application to the Acquired Corporations (other than general economic or industry conditions) and that could have a Company Material Adverse Effect that have not been set forth in this Agreement or the Company Disclosure Schedule.

ARTICLE IV
REPRESENTATIONS AND WARRANTIES OF PARENT AND MERGER SUB

Parent and Merger Sub represent and warrant to the Company as of the date hereof and as of the Closing Date as though such representations and warranties were made on and as of the Closing Date as follows:

4.1 Organization, Etc.

(c) Each of Parent and Merger Sub is a corporation duly organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation, and has all requisite power and authority to own, lease and operate its properties and to carry on its business as currently conducted. Each of Parent and Merger Sub is duly qualified to do business, and is in good standing (with respect to jurisdictions that recognize such concept), in each foreign jurisdiction where the character of its owned or leased properties or the nature of its activities makes such qualification necessary, except where the failure to be so qualified or in good standing would not reasonably be expected to have a material adverse effect on the ability of Parent or Merger Sub to consummate the transactions contemplated by this Agreement.

(d) Neither Parent nor Merger Sub is in violation of any provision of its certificate of incorporation, articles of incorporation or bylaws.

4.2 Authority; Binding Nature. Each of Parent and Merger Sub has all requisite corporate power and authority to execute and deliver this Agreement and to consummate the transactions contemplated hereby, including the Merger. The execution and delivery of this Agreement, and the consummation of the transactions contemplated hereby, including the Merger, have been duly and validly authorized by the boards of directors of Parent and Merger Sub and no other corporate proceedings on the part of Parent or Merger Sub (other than the adoption of this Agreement and the approval of the transactions contemplated hereby, including the Merger, by Parent as the sole stockholder of Merger Sub, which will occur immediately following the executing and delivery of this Agreement) are necessary to authorize this Agreement or to consummate the transactions contemplated hereby, including the Merger. This

Agreement has been duly and validly executed and delivered by each of Parent and Merger Sub and, assuming the due authorization, execution and delivery by the Company and the Major Stockholders, constitutes a valid and binding agreement of each of Parent and Merger Sub, enforceable against each of Parent and Merger Sub in accordance with its terms, except to the extent that its enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors' rights generally, by general equitable principles or by principles of good faith and fair dealing, regardless of whether enforcement is sought in equity or at law.

4.3 No Violations, Etc. No filing with or notification to, and no permit, authorization, consent or approval of, any Governmental Authority is necessary on the part of the Parent or any Parent Subsidiary in connection with the consummation by Parent and Merger Sub of the transactions contemplated hereby, including the Merger, except: (i) for the filing of the Articles of Merger as required by the OBCA; and (ii) as may be required pursuant to the rules and regulations of the U.S. Securities and Exchange Commission or the NASDAQ stock market. Neither the execution and delivery of this Agreement by Parent and Merger Sub, nor the consummation of the transactions contemplated hereby, including the Merger, by Parent and Merger Sub, nor compliance by Parent and Merger Sub with all of the provisions hereof will: (a) conflict with or result in any breach of any provision of the certificate of incorporation, articles of incorporation or bylaws of Parent or Merger Sub; (b) violate any Law; or (c) result in a violation or breach of, constitute (with or without due notice or lapse of time or both) a default under, result in any material change in or give rise to any right of termination, cancellation, acceleration, redemption or repurchase under any of the terms, conditions or provisions of any Contract that is material to Parent.

4.4 Operations of Merger Sub. Merger Sub was formed solely for the purpose of engaging in the transactions contemplated by this Agreement, including the Merger, has engaged in no other business activities and has conducted operations only incident to its formation and performance of its obligations under this Agreement.

ARTICLE V
COVENANTS

5.1 Operation of the Business of the Acquired Corporations. From the date of this Agreement until earlier of the Effective Time or the valid termination of the Agreement pursuant to Article VII (the ***"Pre-Closing Period"***), the Company will, and will cause each other Acquired Corporation to (a) conduct its business only in the ordinary course of business, and (b) use commercially reasonable efforts to preserve and protect its business organization, assets, employment relationships, and relationships with customers, licensees, strategic partners, suppliers, distributors, landlords and others doing business with it. Without limiting the generality of the foregoing and except as otherwise expressly permitted by this Agreement, the Company will not take, and will cause the other Acquired Corporations to not take, any of the following actions without the prior written consent of Parent:

(a) amend its articles of incorporation, bylaws or any other comparable charter or organizational documents;

(b) change its authorized or issued capital stock, or, except for the issuance of Company Common Stock upon the exercise of the Company Stock Options outstanding as of the date of this Agreement, issue, sell, grant, repurchase, redeem, pledge or otherwise dispose of or Encumber any shares of its capital stock or other voting securities or any securities convertible, exchangeable or redeemable for, or any options, warrants or other rights to acquire, any such securities;

(c) split, combine or reclassify of any of its capital stock;

(d) except as set forth on Schedule 5.1(d) of the Company Disclosure Schedule, set aside or pay any dividend or other distribution (whether in cash, securities or other property) in respect of its capital stock;

(e) (i) incur any Indebtedness, (ii) issue, sell or amend any of its debt securities or warrants or other rights to acquire any of its debt securities, guarantee any debt securities of another Person, enter into any "keep well" or other Contract to maintain any financial statement condition of another Person or enter into any arrangement having the economic effect of any of the foregoing, (iii) loan, advance (other than advancement of expenses to its employees in the ordinary course of business) or contribute to the capital of, or invest in, any other Person, other than the Company or (iv) enter into any hedging Contract or other financial agreement or arrangement designed to protect any Acquired Corporation against fluctuations in commodities prices or exchange rates;

(f) sell, lease, transfer, license, pledge or otherwise dispose of or Encumber any of its properties or assets (including, without limitation, any Intellectual Property rights), except for licenses of Intellectual Property and sales of product, in each case in the ordinary course of business consistent with past practices and pursuant to such Acquired Corporation's standard terms and conditions of sale set forth on Schedule 5.1(f) of the Company Disclosure Schedule;

(g) acquire (i) by merger or consolidation with, or by purchase of all or a substantial portion of the assets or any stock of, or by any other manner, any business or Person, or (ii) any assets that are material to any Acquired Corporation individually or in the aggregate, except purchases of inventory and raw materials in the ordinary course of business;

(h) intentionally damage, destroy or lose any of its assets or properties with an aggregate value in excess of $10,000, whether or not covered by insurance;

(i) enter into, modify, accelerate, cancel, terminate, any Acquired Corporations Material Contract (or series of related Acquired Corporations Material Contracts);

(j) (i) except as required by Law, adopt, enter into, terminate or amend any Acquired Corporations Plan, collective bargaining agreement or employment, severance or similar Contract; (ii) increase the compensation or fringe benefits of, or pay any bonus to, any director, officer, employee or consultant or other independent contractor; (iii) amend or accelerate the payment, right to payment or vesting of any compensation or benefits; (iv) pay any benefit not provided for as of the date of this Agreement under any Acquired Corporations Plan; (v) grant any awards under any bonus, incentive, performance or other compensation plan or arrangement or benefit plan, including the granting of stock options, stock appreciation rights, stock based or stock related awards, performance units or restricted stock, or remove existing restrictions in any Acquired Corporations Plan or Contracts or awards made thereunder (other than in accordance with Section 5.1(b) hereof); or (vi) take any action other than in the ordinary course of business to fund or in any other way secure the payment of compensation or benefits under any Acquired Corporations Plan;

(k) cancel, compromise, release or waive any claims or rights (or series of related claims or rights) with a value exceeding $10,000 or otherwise outside the ordinary course of business;

(l) settle or compromise in connection with any Proceeding;

(m) make any capital expenditure or other expenditure with respect to property, plant or equipment in excess of $10,000 in the aggregate;

(n) change accounting principles, methods or practices or investment practices, including any changes as were necessary to conform with GAAP;

(o) change payment or processing practices or policies regarding intercompany transactions;

(p) accelerate or delay the payment of accounts payable or other Liabilities or in the collection of notes or accounts receivable;

(q) make or rescind any Tax election, settle or compromise any Tax Liability, amend any Tax Return, or take or allow any action that would result in the termination of the Company's status as a validly electing S corporation within the meaning of Sections 1361 and 1362 of the Code;

(r) participate in activity of the type sometimes referred to as "trade loading" or "channel stuffing" or any other activity that reasonably could be expected to result in an increase, temporary or otherwise, in the demand for the products offered by any Acquired Corporation, including sales of a product (i) with payment terms longer than terms customarily offered by the Acquired Corporations for such product, (ii) at a greater discount from listed prices than customarily offered for such product, (iii) at a price that does not give effect to any general increase in the list price for such product publicly announced prior to the Closing Date, (iv) with shipment terms more favorable to the customer than shipment terms customarily offered by such Acquired Corporation for such product, (v) in a quantity greater than the reasonable resale requirement of the particular customer or (vi) in conjunction with other material benefits to the customer not previously offered in the ordinary course of business to such customer;

(s) transfer, assign or grant any license or sublicense any rights under or with respect to any Intellectual Property outside the ordinary course of business;

(t) abandon, cancel, let lapse or expire any Intellectual Property that was, as of the dates of the 2015 Acquired Corporations Balance Sheet, or at any time thereafter, the subject of any application or registration;

(u) do anything that would have a Company Material Adverse Effect; or

(v) agree to do any of the things described in the preceding clauses (a) through (u) of this Section 5.1.

5.2 Access to Information. During the Pre-Closing Period, the Company shall, and shall cause its Representatives to: (i) furnish to Parent and Parent's Representatives reasonable access during normal business hours to each Acquired Corporation's offices, properties, personnel, books and records; and (ii) furnish to Parent and Parent's Representatives such financial and operating data and other information as may be reasonably requested. Any investigation pursuant to this Section 5.2 shall be conducted in a manner so as not to interfere unreasonably with the conduct of the business of the Acquired Corporations.

5.3 No Solicitation. During the Pre-Closing Period, neither the Company nor the Major Stockholders shall, nor shall they authorize or permit any of their respective Representatives to, directly or indirectly: (i) solicit, initiate or knowingly encourage (including by way of furnishing any non-public information relating to the Acquired Corporations), or knowingly induce or knowingly take any other action which would reasonably be expected to lead to the making, submission or announcement of, any proposal or inquiry that constitutes, or is reasonably likely to lead to, an Acquisition Proposal; (ii) other

than informing Persons of the provisions contained in this Section 5.3, enter into, continue or participate in any discussions or any negotiations regarding any Acquisition Proposal or otherwise take any action to knowingly facilitate or knowingly induce any effort or attempt to make or implement an Acquisition Proposal; (iii) approve, endorse or recommend an Acquisition Proposal or any letter of intent, memorandum of understanding or Contract contemplating an Acquisition Proposal or requiring the Company or the Major Stockholders to abandon or terminate its obligations under this Agreement; or (iv) agree, resolve or commit to do any of the foregoing. The Company and the Major Stockholders shall, and shall cause their respective Representatives to, immediately cease and cause to be terminated all discussions or negotiations with any Person previously conducted with respect to any Acquisition Proposal. The Company and the Major Stockholders shall promptly deny to any third party access to any data room (virtual or actual) containing any confidential information previously furnished to any such third party relating to any Acquisition Proposal and neither the Company nor the Major Stockholders shall otherwise provide any confidential information to any Person except the Company's and Major Stockholders legal, accounting and financial advisors and employees and officers of the Acquired Corporations on a need to know basis.

5.4 Consents and Filings; Reasonable Efforts.

(e) Subject to Section 5.4(b) in the case of Parent, each of the parties will, and the Company will cause the other Acquired Corporations to, use their respective commercially reasonable efforts (i) to take promptly, or cause to be taken (including actions after the Closing), all actions, and to do promptly, or cause to be done, all things necessary, proper or advisable to consummate and make effective the transactions contemplated by this Agreement and (ii) as promptly as practicable after the date of this Agreement, to obtain all Governmental Authorizations from, give all notices to, and make all filings with, all Governmental Authorities, and to obtain all other consents, waivers, approvals and other authorizations from, and give all other notices to, all other third parties, that are necessary or advisable in connection with the authorization, execution and delivery of this Agreement and the consummation of the transactions contemplated by this Agreement.

(f) Each of Parent and the Company agrees to file with the applicable Governmental Authority, as soon as reasonably practicable following the date of this Agreement, any filings or similar submissions required under applicable antitrust or competition Laws of jurisdictions outside of the United States of America.

(g) Within one (1) Business Day after the Closing Date, the Company will send or cause to be sent by the Company's counsel, by overnight courier, all original minute books, corporate seals and stock or equity ownership records of the Acquired Corporations to Parent.

5.5 Public Announcements. The initial press release with respect to the Merger shall be a joint press release, to be agreed upon by Parent and the Company, and shall not be issued or otherwise made publicly available until approved for such release by Parent and the Company. Except as provided in the immediately preceding sentence, prior to the Effective Time, no public release or announcement concerning the Merger or the other transactions contemplated by this Agreement shall be issued by any party hereto or such party's Affiliates or Representatives without the prior written consent of the other parties hereto, except: (i) any release or announcement required by Law; or (ii) any release or announcement determined by Parent, upon advice of counsel, to be reasonably necessary in light of Parent's public company status, provided that Parent allows the Company reasonable time to comment on such release or announcement in advance of such issuance.

5.6 Notification of Certain Matters.

(e) The Company shall give prompt notice to Parent of: (i) the occurrence or nonoccurrence of any event which would be likely to cause the failure of either of the conditions set forth in Section 6.2(b) or Section 6.2(c) to be met as of any time during the Pre-Closing Period; or (ii) the Company's receipt of any notice or other communication from any Person alleging that the consent of such Person is or may be required in connection with the transactions contemplated by this Agreement, including the Merger.

(f) The delivery of any notice pursuant to this Section 5.6 shall not limit or otherwise affect the remedies available hereunder to Parent nor be deemed to have amended any of the disclosures set forth in the Company Disclosure Schedule, to have qualified the representations and warranties contained herein or to have cured any misrepresentation or breach of a representation or warranty that otherwise might have existed hereunder by reason of such material development. No disclosure after the date of this Agreement of the untruth of any representation and warranty made in this Agreement will operate as a cure of any breach of the failure to disclose the information, or of any untrue representation or warranty made herein.

5.7 Takeover Statutes. At all times prior to the Effective Time, the Company shall use its reasonable efforts to ensure that no Takeover Statute is or becomes applicable to this Agreement or the transactions contemplated hereby, including the Merger.

5.8 Parent Financing. Each of Parent and Merger Sub shall use its reasonable best efforts to take all actions necessary to obtain such amounts of cash as Parent, in its sole discretion, reasonably believes is required to make all payments to the holders of Company Common Stock as required by Article II of this Agreement and to otherwise consummate the Merger (the ***"Required Financing"***). It is understood and acknowledged that the Required Financing may be obtained from the working capital of Parent, pursuant to the issuance of debt or equity securities of Parent to one or more third parties (whether privately or through the public equity or debt markets), through drawdowns of existing lines of credit held by Parent or through a combination of any of the foregoing. The terms and conditions of any Required Financing will be at the sole discretion of Parent and Merger Sub. The Company shall, and shall cause the other Acquired Corporations to, and the Major Stockholders shall, use their reasonable best efforts to cause its senior management, trustees and other representatives to provide to Parent and Merger Sub reasonable cooperation as may be reasonably requested by Parent to assist Parent and Merger Sub in obtaining the Required Financing. Notwithstanding the foregoing, in no event shall the Company, the Acquired Corporations or the Major Stockholders have any liability to Parent or Merger Sub under this Section 5.8.

ARTICLE VI
CONDITIONS TO THE OBLIGATIONS OF THE PARTIES

6.1 Conditions to the Obligations of the Company. The obligations of the Company to effect the Merger shall be subject to the fulfillment of each of the following conditions, any one or more of which may be waived in writing by the Company:

(a) No Law or Judgment shall have been enacted, entered, promulgated or enforced by any Governmental Authority, which remains in effect and which prohibits the consummation of the Merger or otherwise makes the Merger illegal.

(b) The representations and warranties of Parent and Merger Sub set forth in this Agreement shall be true and correct (disregarding all qualifications or limitations as to "materiality" and words of similar import set forth therein) in all material respects at and as of the date of this Agreement and as of the Effective Time as if made at and as of the Effective Time (or, in the case of those representations and warranties that are made as of a particular date or period, as of such date or period).

(c) Parent and Merger Sub shall have performed and complied in all material respects with all agreements and obligations required by this Agreement to be performed or complied with by them on or prior to the Closing Date.

(d) Parent shall have furnished to the Company a certificate executed by an executive officer of Parent to evidence compliance with the conditions set forth in Section 6.1(b) and Section 6.1(c) of this Agreement.

(e) Parent shall have delivered to the Stockholders' Representative a copy of the Escrow Agreement duly executed by Parent and the Escrow Agent.

(f) Parent shall have, concurrently with the Closing, paid to the individuals set forth on Schedule 6.1(f) of the Company Disclosure Schedule, the amount set forth opposite such individual's name.

6.2 Conditions to the Obligations of Parent and Merger Sub. The obligations of Parent and Merger Sub to effect the Merger shall be subject to the fulfillment of each of the following conditions, any one or more of which may be waived in writing by Parent:

(e) No Law or Judgment shall have been enacted, entered, promulgated or enforced by any Governmental Authority, which remains in effect and which prohibits the consummation of the Merger or otherwise makes the Merger illegal and no Proceeding shall have been commenced or threatened that would be material to the operations or financial condition of any Major Stockholder or any Acquired Corporation.

(f) The representations and warranties of the Company and the Major Stockholders set forth in this Agreement shall be true and correct (disregarding all qualifications or limitations as to "materiality" and words of similar import set forth therein) in all material respects at and as of the date of this Agreement and as of the Closing as if made at and as of the Closing (or, in the case of those representations and warranties that are made as of a particular date or period, as of such date or period).

(g) The Company and the Major Stockholders shall have performed and complied in all material respects with all agreements and obligations required by this Agreement to be performed or complied with by them on or prior to the Closing Date.

(h) The Company and the Major Stockholders shall have furnished to Parent a certificate executed by the chairman of the Company, the chief executive officer and president of the Company and the Major Stockholders to evidence compliance with the conditions set forth in Section 6.2(b) and Section 6.2(c) of this Agreement (the "***Company Certificate***").

(i) The Company shall have furnished to Parent a certificate, dated as of the Closing Date, signed by the chief executive officer and president of the Company certifying that: (i) attached thereto are true and correct copies of the Acquired Corporations Constituent Documents, and any amendments thereto, as in effect immediately prior to the Effective Time; (ii) attached thereto are corporate good standing certificates or certificates of existence, as applicable, with respect to the

Company from the applicable authorities in the State of Oregon and any other jurisdictions in which the Company is qualified to do business, dated as of a recent date prior to the Closing Date; (iii) attached thereto are true and correct copies of resolutions duly adopted by the board of directors and stockholders of the Company authorizing and approving the execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby, including the Merger; and (iv) there are no proceedings for the dissolution or liquidation of the Company.

(j) If necessary, pursuant to Section 5.8, Parent shall have closed the Required Financing and shall have received the net proceeds of such financing.

(k) Each of the Company's directors, officers and the Major Stockholders shall have executed and delivered to Parent a release in form and substance reasonably satisfactory to Parent.

(l) The Company shall have (i) paid, satisfied and discharged in full any and all outstanding payments and obligations payable to each Person in the amount set forth on Schedule 6.2(h) of the Company Disclosure Schedule, and (ii) delivered to Parent a payoff and release letter in form and substance satisfactory to Parent, providing for the repayment in full of any outstanding Indebtedness and the corresponding release of any Encumbrance or Acquired Corporation or any of the Acquired Corporations' assets.

(m) (i) Each Offer Letter shall be in full force and effect; (ii) each of the Key Employees shall still be employed by the Company and shall not have indicated any intent to terminate such employment before or after the Effective Time; and (iii) at least 75% of the employees performing technical services for the Company set forth on Schedule 3.19(e) of the Company Disclosure Schedule shall be employed by the Company.

(n) The Company shall have obtained all consents required to be obtained in connection with the Merger and the other transactions contemplated by this Agreement pursuant to the Contracts set forth on Schedule 6.2(j) of the Company Disclosure Schedule.

(o) The Required Stockholder Approvals shall be in full force and effect and no stockholder of the Company shall have initiated any Proceeding to revoke such approvals.

(p) No holders of any outstanding Company Common Stock shall be entitled to assert appraisal rights under the OBCA or otherwise with respect to the transactions contemplated by this Agreement, including the Merger.

(q) The Stockholders' Representative shall have delivered to Parent a copy of the Escrow Agreement duly executed by the Stockholders' Representative.

(r) The Company shall have furnished to Parent a properly completed IRS Form 8023 executed by all Major Stockholders.

(s) The Company shall have delivered to Parent a copy of the Acknowledgment and Release, duly executed by Richard Ralston (the ***"Acknowledgment and Release"***), in substantially the form set forth on **Exhibit E** hereto and such document shall be in full force and effect and shall not have been modified or amended in any respect.

(t) The Company's 401k Profit Sharing Plan (the ***"401(k) Plan"***) shall have been terminated immediately prior to the Closing, the account balances of each participant in the 401(k) Plan shall have fully vested and the Company shall have provided Parent with evidence of such termination,

including, but not limited, to fully-executed Board resolutions terminating the 401(k) Plan in a form reasonably satisfactory to Parent.

ARTICLE VII
TERMINATION

7.1 Termination. This Agreement may be terminated at any time prior to the Effective Time, whether before or after the Required Stockholder Approvals are obtained:

(u) by mutual written consent of Parent and the Company;

(v) by either Parent or the Company, if the Merger shall not have been consummated by June 25, 2015 (the ***"Outside Date"***); provided, however, that the right to terminate this Agreement under this Section 7.1(b) shall not be available to any party hereto whose action or failure to act has been a principal cause of or resulted in the failure of the Merger to occur on or before such date and such action or failure to act constitutes a material breach of this Agreement;

(w) by Parent or the Company, if any Law irrevocably prohibits or makes the Merger illegal, or if a Judgment has been entered by a Governmental Authority of competent jurisdiction permanently restraining, enjoining or otherwise prohibiting the Merger and such Judgment has become final and non-appealable;

(x) by Parent if there has been a breach of any of the representations, warranties or covenants of the Company or the Major Stockholders contained in this Agreement, which would result in the failure of a condition set forth in Section 6.2(b) or Section 6.2(c), and which breach has not been cured or cannot be cured within fifteen (15) days after the receipt of written notice of the breach from Parent;

(y) by the Company if there has been a breach of any of Parent's or the Merger Sub's representations, warranties or covenants contained in this Agreement, which would result in the failure of a condition set forth in Section 6.1(b) or Section 6.1(c), and which breach has not been cured or cannot be cured within fifteen (15) days after the receipt of written notice of breach from the Company;

(z) by Parent if any Major Stockholder fails to deliver a duly executed Written Consent and Release to Parent within twenty four (24) hours after the execution of this Agreement or any Major Stockholder revokes or attempts to revoke, at any time during the Pre-Closing Period, its previously executed and delivered Written Consent and Release.

7.2 Notice of Termination; Effect of Termination. A party desiring to terminate this Agreement pursuant to Section 7.1, other than pursuant to Section 7.1(a), shall give written notice of such termination to the other party, specifying the provision or provisions hereof pursuant to which such termination is being effected. In the event of the valid termination of this Agreement as provided in Section 7.1, except for the provisions of this Section 7.2, which shall survive the termination of this Agreement, this Agreement shall forthwith become void and have no effect, without any liability on the part of any party hereto other than liability for any willful breach of this Agreement occurring prior to such termination. No termination of this Agreement shall affect the obligations of the parties contained in any nondisclosure agreement or confidentiality agreement between the parties, all of which obligations shall survive termination of this Agreement in accordance with their terms.

ARTICLE VIII
INDEMNIFICATION

8.1 Indemnification. In the event that the Closing occurs, and subject to the limitations expressly set forth in Section 8.7 hereof, Parent, each of Parent's Affiliates, the Surviving Corporation and each of their respective directors, officers, employees, agents, consultants, advisors, representatives and equity holders (each a ***"Parent Indemnified Party"*** and collectively, the ***"Parent Indemnified Parties"***) shall be entitled to be indemnified, defended, and held harmless from and against, and the Major Stockholders will, jointly and severally, indemnify, defend and hold harmless the Parent Indemnified Parties from and against and will pay or reimburse the Parent Indemnified Parties, any and all Losses incurred or suffered by the Parent Indemnified Parties arising out of, relating to or resulting from any of the following:

(h) any breach of any representation or warranty of the Company or the Major Stockholders contained in this Agreement or in any certificate, instrument or document delivered by the Company or the Major Stockholders in connection with this Agreement; provided that, notwithstanding anything to the contrary in this Article VIII, any Losses incurred or suffered by Parent Indemnified Parties to the extent based solely on Intellectual Property licensed to the Acquired Corporations pursuant to an Inbound License infringing, diluting, violating or misappropriating the Intellectual Property of another third party shall not be subject to indemnification pursuant to Article VIII, but only if (i) such licensed Intellectual Property has not been modified or altered by the Acquired Corporations in any manner except as permitted under the applicable Inbound License and has otherwise been used by the Acquired Corporations within the scope of the applicable Inbound License or other third party license, and (ii) the Acquired Corporations were not otherwise in breach of the applicable Inbound License.

(i) the nonfulfillment, nonperformance or other breach of any covenant or agreement of the Company or the Major Stockholders contained in this Agreement or any Ancillary Agreement;

(j) the Stockholders' Representative's performance of his or her obligations under this Agreement;

(k) any matter disclosed on Schedule 8.1(d) of the Company Disclosure Schedule;

(l) any failure of any holder of Company Securities to have valid title to the issued and outstanding shares of Company Common Stock or Common Stock Options issued in the name of such holder free and clear of all Encumbrances;

(m) any assertion or recovery by any Stockholder of the fair value, interest, and expenses or other amounts pursuant to dissenters' rights exercised or purportedly exercised pursuant to the OBCA (it being understood that any such Losses will not include the pro rata share of the Merger Consideration such asserting or recovering holder of Company Securities would have received pursuant to this Agreement);

(n) any claim by any current or former holder of Company Securities, or any other Person, seeking to assert, or based upon, (i) ownership or rights to ownership of any equity securities, (ii) any rights of a holder of Company Securities (other than the right to receive such holder's portion of the Merger Consideration pursuant to this Agreement), including any option, preemptive rights or rights to notice or to vote, (iii) any rights under any Acquired Corporation's articles of incorporation, bylaws or any other comparable charter or organizational documents, in effect as of immediately prior to the Effective Time, or (iv) any claims that his, her or its Company Securities were wrongfully

repurchased by the Company or rescission rights relating to the issuance of his, her or its Company Securities;

(o) any Proceedings, demands or assessments incidental to any of the matters set forth in clauses (a) through (g) above; and

(p) any Pre-Closing Taxes.

For purposes of determining under this Section 8.1 whether there is any inaccuracy in, or whether the Company or the Major Stockholders have breached, any such representation, warranty or covenant, and the amount of any Losses associated therewith, the parties agree (i) that all references to "material," "materially" or "materiality," or to whether a breach would have a Company Material Adverse Effect, will be disregarded and (ii) the representations, warranties and covenants are made for purposes of this Section 8.1 as if those disregarded words were not included.

8.2 Claim Procedure.

(d) A party that seeks indemnity under this Article VIII (an ***"Indemnified Party"***) will give written notice (a ***"Claim Notice"***) to the party from whom indemnification is sought (an ***"Indemnifying Party"***) containing (i) a description and, if known, the estimated amount of any Losses incurred or reasonably expected to be incurred by the Indemnified Party, (ii) a reasonable explanation of the basis for the Claim Notice to the extent of the facts then known by the Indemnified Party, and (iii) a demand for payment of those Losses.

(e) Within thirty (30) days after delivery of a Claim Notice, the Indemnifying Party will deliver to the Indemnified Party a written response in which the Indemnifying Party will either:

(i) agree that the Indemnified Party is entitled to receive all of the Losses at issue in the Claim Notice; or

(ii) dispute the Indemnified Party's entitlement to indemnification by delivering to the Indemnified Party a written notice (an ***"Objection Notice"***) setting forth in reasonable detail each disputed item, the basis for each such disputed item and certifying that all such disputed items are being disputed in good faith.

(f) If the Indemnifying Party fails to take either of the foregoing actions within thirty (30) days after delivery of the Claim Notice, then the Indemnifying Party will be deemed to have irrevocably accepted the Claim Notice and the Indemnifying Party will be deemed to have irrevocably agreed to pay the Losses at issue in the Claim Notice.

(g) If the Indemnifying Party delivers an Objection Notice to the Indemnified Party within thirty (30) days after delivery of the Claim Notice, then the dispute may be resolved by any legally available means consistent with the provisions of this Agreement.

8.3 Third Party Claims.

(g) In the event that the Indemnified Party is entitled, or is seeking to assert rights, to indemnification under this Article VIII relating to a claim by another Person, then the Indemnified Party will deliver a Claim Notice to the Indemnifying Party and will include in such Claim Notice (i) notice of the commencement of any Proceeding relating to such claim within thirty (30) days after the Indemnified Party has received written notice of the commencement of such Proceeding and (ii) the

facts constituting the basis for such Proceeding and the amount of the damages claimed by the other Person, in each case, to the extent known to the Indemnified Party. Notwithstanding the foregoing, no delay or deficiency on the part of the Indemnified Party in so notifying the Indemnifying Party will relieve the Indemnifying Party of any Liability or obligation under this Agreement except to the extent the Indemnifying Party has suffered actual Losses directly caused by the delay or other deficiency.

(h) Within thirty (30) days after the Indemnified Party's delivery of notice of the commencement of such Proceeding under this Section 8.3, the Indemnifying Party may assume control of the defense of such Proceeding by giving to the Indemnified Party written notice of the intention to assume such defense, but if and only if the Indemnifying Party further:

(i) acknowledges in writing to the Indemnified Party that any Losses that may be assessed in connection with such Proceeding constitute Losses for which the Indemnified Party will be indemnified pursuant to this Article VIII without contest or objection and that the Indemnifying Party will advance all expenses and costs of defense; and

(ii) retains counsel for the defense of such Proceeding reasonably satisfactory to the Indemnified Party and furnishes to the Indemnified Party evidence satisfactory to the Indemnified Party that the Indemnifying Party has and will have sufficient financial resources to fund on a current basis the cost of such defense and paying all Losses that may arise under the claim.

However, in no event may the Indemnifying Party assume, maintain control of, or participate in, the defense of any Proceeding (A) involving criminal Liability, (B) involving claims relating to any Acquired Corporations Intellectual Property or Third Party Intellectual Property, (C) in which any relief other than monetary damages is sought against the Indemnified Party, or (D) in which the outcome of any Judgment or settlement in the matter could materially adversely affect the business of any of (I) Parent, (II) the business unit of Parent that acquires the Company, or (III) the Surviving Corporation (collectively, clauses (A) through (D), the ***"Special Claims"***). An Indemnifying Party will lose any previously acquired right to control the defense of any Proceeding if for any reason the Indemnifying Party ceases to actively, competently and diligently conduct the defense.

(i) If the Indemnifying Party does not, or is not able to, assume or maintain control of such defense in compliance with Section 8.3(b), the Indemnified Party will have the right to control such defense. If the Indemnified Party controls such defense, the Indemnifying Party agrees to pay to the Indemnified Party promptly upon demand from time to time all reasonable attorneys' fees and other costs and expenses of defense. To the extent that the underlying claim does not constitute a Special Claim, the party not controlling such defense (the ***"Noncontrolling Party"***) may participate therein at its own expense. However, if the Indemnifying Party assumes control of such defense and the Indemnified Party reasonably concludes that the Indemnifying Party and the Indemnified Party have conflicting interests or different defenses available with respect to such Proceeding, then the reasonable fees and expenses of counsel to the Indemnified Party will be considered and included as Losses for purposes of this Agreement. The party controlling such defense (the ***"Controlling Party"***) will reasonably advise the Noncontrolling Party of the status of such Proceeding and the defense thereof and, with respect to any Proceeding that does not relate to a Special Claim, the Controlling Party will consider in good faith recommendations made by the Noncontrolling Party. The Noncontrolling Party will furnish the Controlling Party with such information as it may have with respect to such Proceeding (including copies of any summons, complaint or other pleading which may have been served on such party and any written claim, demand, invoice, billing or other document evidencing or asserting the same) and will otherwise cooperate with and assist the Controlling Party in the defense of such Proceeding.

(j) If the Indemnified Party is controlling the defense of such Proceeding, the Indemnified Party has the right to agree in good faith to any compromise or settlement of, or the entry of any Judgment arising from, such Proceeding without prior notice to or consent of the Indemnifying Party. All amounts paid or payable under such settlement or Judgment are Losses that the Indemnifying Party owes to the Indemnified Party under this Article VIII. The Indemnifying Party will not agree to any compromise or settlement of, or the entry of any Judgment arising from, any such Proceeding without the prior written consent of the Indemnified Party, which consent the Indemnified Party will not unreasonably withhold or delay. The Indemnified Party will have no Liability with respect to any compromise or settlement of, or the entry of any Judgment arising from, any such Proceeding effected without its consent.

(k) Notwithstanding the other provisions of this Article VIII, if a Person not a party to this Agreement asserts that a Parent Indemnified Party is liable to such Person for a monetary or other obligation which relates to any Special Claim for which the Parent Indemnified Party may be entitled to indemnification pursuant to this Article VIII, and the Parent Indemnified Party determines that it has a business reason to fulfill such obligation, then (i) the Parent Indemnified Party will be entitled to satisfy such obligation, without notice to or consent from the Indemnifying Party, (ii) the Parent Indemnified Party may subsequently make a claim for indemnification in accordance with the provisions of this Article VIII and (iii) the Parent Indemnified Party will be reimbursed, in accordance with the provisions of this Article VIII, for any such Losses for which it is entitled to indemnification pursuant to this Article VIII, subject to the right of the Indemnifying Party to dispute the Parent Indemnified Party's entitlement to indemnification.

(l) Notwithstanding the provisions of Section 9.6, the Stockholders' Representative consents to the non-exclusive jurisdiction of any court in which a Proceeding is brought by another Person against any Parent Indemnified Party for purposes of any claim that a Parent Indemnified Party may have under this Agreement with respect to the Proceeding or the matters alleged therein. The Stockholders' Representative agrees that process may be served on them with respect to such a claim anywhere in the world.

8.4 Payment of Indemnification Claims.

(e) In the event a Parent Indemnified Party is entitled to recover any Losses pursuant to this Article VIII, such Losses shall first be satisfied out of any funds then remaining in the Escrow Fund.

(f) In the event the Losses suffered by a Parent Indemnified Party exceed the amount of the Escrow Fund, then any Losses that exceed the amount of the Escrow Fund shall be satisfied by a reduction in Total Stock Payment Shares, with such reduction in the number of shares of Parent Common Stock being determined by dividing (A) the amount of Losses required to be paid, by (B) the lesser of (i) the closing price of Parent Common Stock as quoted on the NASDAQ stock market on the date the Loss occurred (or if the date of such Loss is not a trading day, then the trading day immediately preceding the date such Loss occurred), (ii) the closing price of Parent Common Stock as quoted on the NASDAQ stock market on the Closing Date (or if the Closing Date is not a trading day, then the trading day immediately preceding the Closing Date), or (iii) the average closing price of Parent Common Stock, as quoted on the NASDAQ stock market, for the consecutive ten (10) trading day period commencing on the fourth (4th) trading day before the filing with the SEC by Parent of its Annual Report on Form 10-K for the year ended December 31, 2015 (if applicable).

(g) In the event the amount of Losses which a Parent Indemnified Party is entitled to recover under this Article VIII exceeds the amount of the Escrow Fund and the Total Stock Payment Shares, then upon the exhaustion of the Escrow Fund and Total Stock Payment Shares, any Losses in excess of both such amounts shall be paid by the Major Stockholders.

(h) In addition to the recovery of any Losses pursuant to the foregoing remedies, the Parent Indemnified Parties shall be entitled to set off any Losses against all or any portion of the Merger Consideration that may be payable under Article II of this Agreement. Such right of set off shall be in addition to, and not in lieu of, any and all other remedies available to the Parent Indemnified Parties in connection with recovering any losses.

8.5 Survival.

(a) All representations and warranties of the Company and the Major Stockholders contained in this Agreement and any certificate delivered pursuant to this Agreement will survive the Closing, irrespective of any facts known to any Indemnified Party at or prior to the Closing or any investigation at any time made by or on behalf of any Indemnified Party, for a period of eighteen (18) months from the Closing Date (the ***"Indemnification Period"***); provided, however, that (i) the representations and warranties set forth in Sections 3.1, 3.2, 3.4, 3.5, 3.21, and 3.31 and the corresponding right to make claims thereunder, will survive for a period of seven (7) years after the Closing Date, and (ii) the representations and warranties set forth in Sections 3.3, 3.6, 3.20, 3.22, 3.24 and the corresponding right to make claims thereunder, will survive for a period of thirty six (36) months from the Closing Date. Notwithstanding anything to the contrary herein, the rights of the Parent Indemnified Parties to make claims for indemnification or reimbursement based upon any covenant to be performed or complied with after the Closing Date will survive in accordance with the applicable statute of limitations under the governing law as specified in Section 9.6.

(b) The Parent Indemnified Parties shall not be entitled to assert any indemnification pursuant to Section 8.1(a) after the expiration of the applicable survival period with respect to inaccuracies in or breaches of the representations and warranties referenced in Section 8.5(a). If an Indemnified Party delivers to an Indemnifying Party, before expiration of a representation or warranty, either a Claim Notice based upon a breach of any such representation or warranty, or a notice that, as a result of a Proceeding instituted or claim made by a Person not a party to this Agreement, the Indemnified Party reasonably expects to incur Losses, then the applicable representation or warranty will survive until, but only for purposes of, the resolution of the matter covered by such notice. If the Proceeding or written claim with respect to which such notice has been given is definitively withdrawn or resolved in favor of the Indemnified Party, the Indemnified Party will promptly so notify the Indemnifying Party.

(c) The aggregate amount of Losses for which a Parent Indemnified Party may seek indemnification hereunder shall be reduced by the net amount of (i) any proceeds of insurance actually received by a Parent Indemnified Party from non-Affiliate third parties in connection with a claim for indemnification by such Parent Indemnified Party, minus (ii) any reasonable and documented costs and expenses incurred directly in connection with the recovery of such amounts (including any premium increases reasonably and in good faith related to such claim). Parent Indemnified Party shall use its commercially reasonable efforts to seek recovery under all applicable insurance policies covering any Losses to the same extent as it would if such Losses were not subject to indemnification hereunder, but only to the extent Parent Indemnified Party believes in good faith that such recovery is available; provided that Parent Indemnified Party shall not be required to instigate litigation or other dispute resolution. In the event that an insurance or other recovery is received by any Parent Indemnified Party with respect to any Losses for which any such Person has been indemnified hereunder, then a refund equal to the

aggregate amount of the recovery (net of reasonable expenses incurred in obtaining such recovery) shall be made promptly to (i) if the term of the Escrow Account has not yet expired, the Escrow Agent, who shall deposit such amounts into the Escrow Account, and such amounts shall thereafter be available to satisfy any future indemnification claims hereunder, and (ii) otherwise, the Major Stockholders.

(d) Disclosed Liabilities. Notwithstanding anything contained elsewhere in this Agreement, the parties agree that the Parent Indemnified Parties shall not be entitled to recover for (and the term "Losses" shall not be construed to include) any matter reasonably identified or disclosed in the Company Disclosure Schedule.

8.6 Limitations on Liability.

(a) No Parent Indemnified Party shall be entitled to recover any Losses under this Article VIII unless and until the aggregate Losses under this Agreement exceed $150,000 (the "Deductible"), in which event the Parent Indemnified Party may assert its right to indemnification hereunder only for such Losses in excess of the Deductible; provided that in no event shall the aggregate indemnification for all Losses of the Parent Indemnified Party exceed the sum of twelve (12%) of the Merger Consideration that is actually paid by Parent, provided however, for the purposes of this Section 8.6(a), if paid, the 2017 Earn-Out Payment shall be excluded for purposes of determining the foregoing, and further provided, however, that the foregoing limitation does not apply to the following:

(iii) claims with respect to any amounts owed to Parent in connection with the working capital adjustments contemplated by Article II;

(iv) claims under Section 8.1(a) relating to a breach of the representations set forth in Sections 3.1, 3.2, 3.4, 3.5, 3.21 and 3.31; or

(v) claims under Sections 8.1(b), (c), (d), (e), (f), (g), (h) and (i).

(b) Notwithstanding any other provision of this Agreement, nothing in this Agreement limits the Liability of a party to another party for fraud or willful misconduct committed by such party.

8.7 No Right of Indemnification or Contribution. No Major Stockholder has any right of indemnification or contribution against the Company or the Surviving Corporation with respect to any breach by the Company, the Major Stockholders or the Surviving Corporation of any of its representations, warranties, covenants or agreements in this Agreement or any Ancillary Agreement, whether by virtue of any contractual or statutory right of indemnity or otherwise, and all claims to the contrary are hereby waived and released.

8.8 Exercise of Remedies by Parent Indemnified Parties other than Parent. No Parent Indemnified Party (other than Parent or any successor or assignee of Parent) is entitled to assert any indemnification claim or exercise any other remedy under this Agreement unless Parent (or any successor or assignee of Parent) consents to the assertion of the indemnification claim or the exercise of any other remedy.

8.9 Indemnification by the Purchaser. (a) From and after the Closing Date, Parent shall indemnify and hold harmless the Major Stockholders and their respective successors and assigns (collectively, the ***"Major Stockholder Indemnified Parties"***) from and against any Losses suffered by any such Major Stockholder Indemnified Party resulting from or arising out of any failure to pay any amounts required to be paid under Article II of this Agreement.

ARTICLE IX
MISCELLANEOUS

9.1 Stockholders' Representative.

(h) The holders of Company Securities, by approving this Agreement and the transactions contemplated hereby, including the Merger, hereby irrevocably (i) appoint Ethan Ralston as the Stockholders' Representative and the agent and true and lawful attorney-in-fact of the holders of Company Securities and (ii) authorize the Stockholders' Representative to take, and consent to the Stockholders' Representative taking, the following actions for and on behalf of holders of Company Securities following the Closing:

(1) to give and receive notices and communications;

(2) to take any and all actions relating to claims to hold harmless, indemnify, compensate, reimburse or pay any Indemnitee hereunder;

(3) to authorize delivery to Parent of a portion of the Escrow Fund in satisfaction of claims by the Indemnitees;

(4) to object to such deliveries;

(5) to agree to, negotiate, enter into settlements and compromises of, and demand arbitration and comply with orders of courts and awards of arbitrators with respect to, such claims;

(6) to take all other actions contemplated for the Stockholders' Representative in this Agreement and in the Escrow Agreement;

(7) to execute and deliver all documents necessary or desirable to carry out the intent of this Agreement and any other documents and agreements contemplated by this Agreement (including the Escrow Agreement);

(8) to make all elections or decisions contemplated by this Agreement and any other documents and agreements contemplated by this Agreement (including the Escrow Agreement);

(9) to amend, modify or waive provisions of this Agreement (subject to Section 9.2 and Section 9.3) or any of the other related agreements to which the Stockholders' Representative is a party;

(10) to engage, employ or appoint any agents or representatives (including attorneys, accountants and consultants) to assist the Stockholders' Representative in complying with the Stockholders' Representative's duties and obligations; and

(11) to take all actions necessary or appropriate in the judgment of the Stockholders' Representative for the accomplishment of the foregoing.

Parent shall be entitled to deal exclusively with the Stockholders' Representative on all such matters relating to this Agreement (including Article VIII) and shall be entitled to rely conclusively (without further evidence of any kind whatsoever) on any document executed or purported to be executed on behalf of any holder of Company Securities by the Stockholders' Representative, and on any other action taken or

purported to be taken on behalf of any holder of Company Securities by the Stockholders' Representative, as being fully binding upon such holder. Notices or communications to or from the Stockholders' Representative shall constitute notice to or from each of the holders of Company Securities. Any decision or action by the Stockholders' Representative hereunder, including any agreement between the Stockholders' Representative and Parent relating to the defense, payment or settlement of any claims to hold harmless, indemnify, compensate, reimburse or pay any Indemnitee hereunder, shall constitute a decision or action of all holders of Company Securities and shall be final, binding and conclusive upon each such holder. No holder of Company Securities shall have the right to object to, dissent from, protest or otherwise contest the same.

(i) If the Stockholders' Representative shall for any reason become unable to fulfill its responsibilities as the agent of the holders of Company Securities, then the Major Stockholders shall, within ten (10) days after the date upon which the Stockholders' Representative becomes unable to fulfill its responsibilities, appoint a successor representative reasonably satisfactory to Parent. Any such successor shall become the "Stockholders' Representative" for all purposes hereunder. If for any reason there is no Stockholders' Representative at any time, all references herein to the Stockholders' Representative shall be deemed to refer to Robert E. Ralston.

(j) The holders of Company Securities recognize and intend that the power of attorney granted in Section 9.1(a) is coupled with an interest and is irrevocable, may be delegated by the Stockholders' Representative and shall survive the death or incapacity of any holder of Company Securities.

(k) The Stockholders' Representative shall not be liable to any holder of Company Securities for any act done or omitted hereunder as Stockholders' Representative while acting in good faith and in the exercise of reasonable judgment, and any act done or omitted pursuant to the advice of counsel shall be conclusive evidence of such good faith. The holders of Company Securities shall, subject to the following sentence, indemnify the Stockholders' Representative and hold him harmless against any loss, liability or expense incurred without gross negligence or bad faith on the part of the Stockholders' Representative and arising out of or in connection with the acceptance or administration of his duties hereunder (the "***Representative Losses***"). The Representative Losses shall be satisfied by the Major Stockholders.

9.2 Amendment and Modification. This Agreement may be amended, modified or supplemented (i) prior to the Effective Time, only by the written agreement of Parent, Merger Sub and the Company; provided, however, that after the Required Stockholder Approvals are obtained there shall be no amendment or waiver that, pursuant to Law, requires further approval of such holders, without the receipt of such further approvals, and (ii) after the Effective Time, only by the written agreement of Parent and the Stockholders' Representative.

9.3 Waiver of Compliance; Consents. Any failure of Parent or Merger Sub, on the one hand, or the Company or Major Stockholders, on the other hand, to comply with any obligation, covenant, agreement or condition herein may be waived by the Company prior to the Effective Time (with respect to any failure by Parent or Merger Sub), by the Stockholders' Representative after the Effective Time (with respect to any failure by Parent or Merger Sub) or by Parent or Merger Sub (with respect to any failure by the Company or the Major Stockholders), respectively, only by a written instrument signed by the party granting such waiver, but such waiver or failure to insist upon strict compliance with such obligation, covenant, agreement or condition shall not operate as a waiver of, or estoppel with respect to, any subsequent or other failure. Whenever this Agreement requires or permits consent by or on behalf of any party hereto, such consent shall be deemed effective when given in a manner consistent with the

requirements for a waiver of compliance as set forth in this Section 9.3. Any waiver by the Stockholders' Representative will be deemed a waiver by, and binding upon, the Major Stockholders.

9.4 Notices. All notices, requests, demands, claims and other communications that are required to be or may be given under this Agreement must be in writing and shall be deemed to have been effectively given: (i) upon personal delivery to the recipient; or (ii) one (1) Business Day after deposit with a nationally recognized overnight courier, specifying next-day delivery, with written verification of receipt, in each case to the intended recipient at the following addresses:

if to Parent or Merger Sub, to:	Novatel Wireless, Inc. 9645 Scranton Road, Suite 205 San Diego, CA 92121 Attention: Michael Newman
with a copy to:	Paul Hastings LLP 4747 Executive Drive, 12th Floor San Diego, CA 92121 Attention: Carl R. Sanchez
if to the Company, or Major Stockholders, to:	Robert E. Ralston Attention: Robert E. Ralston
with a copy to:	Gardner, Potter, Budge, Spickard & Cascagnette, LLC 725 Country Club Rd. Eugene, OR 97401 Attention: Hamilton W. Budge Jr.
if to the Stockholders' Representative, to:	Ethan Ralston Attention: Ethan Ralston
with a copy to:	Gardner, Potter, Budge, Spickard & Cascagnette, LLC 725 Country Club Rd. Eugene, OR 97401 Attention: Hamilton W. Budge Jr.

or to such other address as any party shall have furnished to the other by notice given in accordance with this Section 9.4.

9.5 Assignment and Successors; Third-Party Beneficiaries. This Agreement binds and benefits the parties and their respective heirs, executors, administrators, successors and assigns, except that the Company and the Major Stockholders may not assign any rights under this Agreement without the prior written consent of Parent. No party may delegate any performance of its obligations under this Agreement, except that Parent may at any time delegate the performance of its obligations to any Affiliate of Parent so long as Parent remains fully responsible for the performance of the delegated obligation. This Agreement is not intended to confer any rights or remedies upon any Person other than the parties hereto and, to the extent provided herein, the Parent Indemnified Parties.

9.6 Governing Law; Consent to Jurisdiction. Solely with respect to the Merger, this Agreement shall be governed by the laws of the State of Oregon without reference to the principles of

conflicts of laws that would result in the application of the laws of any other jurisdiction. All other provisions of this Agreement shall be governed by the laws of the State of Delaware without reference to principles of conflicts of laws that would result in the application of the laws of any other jurisdiction. In addition, each of the parties hereto: (i) consents to submit itself to the personal jurisdiction of any federal court located in the State of Delaware or any state court located in the State of Delaware in the event that any dispute arises out of this Agreement or the transactions contemplated hereby; (ii) agrees that it will not attempt to deny or defeat such personal jurisdiction by motion or other request for leave from any such court; and (iii) agrees that it will not bring any action relating to this Agreement or the transactions contemplated hereby, in any court other than a federal court located in the State of Delaware or a state court located in the State of Delaware.

9.7 Specific Enforcement. The parties hereto agree that irreparable damage for which monetary damages, even if available, would not be an adequate remedy would occur in the event that the parties hereto do not perform their obligations pursuant to this Agreement in accordance with its specified terms or otherwise breach such terms. Accordingly, the parties acknowledge and agree that the parties shall be entitled to an injunction, specific performance and other equitable relief to prevent breaches of this Agreement and to enforce specifically the terms and provisions hereof, this being in addition to any other remedy to which they are entitled at law or in equity. Each of the parties agrees that it will not oppose the granting of an injunction, specific performance and other equitable relief as provided herein on the basis that (i) any party has an adequate remedy at law or (ii) an award of specific performance is not an appropriate remedy for any reason at law or in equity.

9.8 WAIVER OF JURY TRIAL. EACH OF PARENT, MERGER SUB, THE COMPANY AND THE MAJOR STOCKHOLDERS HEREBY IRREVOCABLY WAIVES ALL RIGHT TO TRIAL BY JURY IN ANY PROCEEDING OR COUNTERCLAIM (WHETHER BASED ON CONTRACT, TORT OR OTHERWISE) ARISING OUT OF OR RELATING TO THIS AGREEMENT AND THE TRANSACTIONS CONTEMPLATED HEREBY, INCLUDING THE MERGER.

9.9 Severability. Any term or provision of this Agreement that is invalid or unenforceable in any situation in any jurisdiction shall not affect the validity or enforceability of the remaining terms and provisions of this Agreement or the validity or enforceability of the offending term or provision in any other situation or in any other jurisdiction. If a final judgment of a court of competent jurisdiction declares that any term or provision of this Agreement is invalid or unenforceable, the parties hereto agree that the court making such determination shall have the power to limit such term or provision, to delete specific words or phrases or to replace such term or provision with a term or provision that is valid and enforceable and that comes closest to expressing the intention of the invalid or unenforceable term or provision, and this Agreement shall be valid and enforceable as so modified. In the event such court does not exercise the power granted to it in the prior sentence, the parties hereto agree to replace such invalid or unenforceable term or provision with a valid and enforceable term or provision that will achieve, to the extent possible, the economic, business and other purposes of such invalid or unenforceable term or provision.

9.10 Interpretation.

(c) For purposes of this Agreement, whenever the context requires, the singular number will include the plural, and vice versa, the masculine gender will include the feminine and neuter genders, the feminine gender will include the masculine and neuter genders, and the neuter gender will include the masculine and feminine genders.

(d) As used in this Agreement, the words "include" and "including" and variations thereof, will not be deemed to be terms of limitation, but rather will be deemed to be followed by the words "without limitation".

(e) All references in this Agreement to "Acquired Corporations" will be deemed to be a reference to one or more Acquired Corporations.

(f) All references in this Agreement to "Major Stockholders" will be deemed to be a reference to one or more Major Stockholders.

(g) All references in this Agreement to "Ancillary Agreements" will be deemed to be a reference to one or more Ancillary Agreements.

(h) Except as otherwise expressly indicated, all references in this Agreement to a "Section", "Article", "Preamble", "Recitals" or "Exhibit" are intended to refer to a Section, Article, the Preamble, the Recitals or an Exhibit of this Agreement, and all references to a "Schedule" are intended to refer to a Schedule of the Company Disclosure Schedule.

(i) As used in this Agreement, the terms "hereof", "hereunder", "herein" and words of similar import will refer to this Agreement as a whole and not to any particular provision, Section, Exhibit or Schedule of this Agreement.

(j) An exception or disclosure in the Company Disclosure Schedule relating to one representation or warranty shall not be deemed to qualify or to serve as an exception or disclosure to another representation or warranty unless such exception or disclosure expressly cross-references one or more applicable representations set forth in another section of Article III. The Disclosure Schedule will be arranged in paragraphs corresponding to the lettered and numbered paragraphs and subparts in this Agreement.

(k) Each party hereto has participated in the drafting of this Agreement, which each party hereto acknowledges is the result of extensive negotiations among the parties hereto. Consequently, this Agreement will be interpreted without reference to any rule or precept of Law that states that any ambiguity in a document be construed against the drafter.

(l) Any reference in this Agreement to "$" or "dollars" will mean U.S. dollars.

(m) All references to any section of any law include any amendment of, and/or successor to, that section.

(n) The table of contents and Article and Section headings contained in this Agreement are for reference purposes only and do not limit or otherwise affect any of the substance of this Agreement.

(o) All terms defined in this Agreement shall have such defined meanings when used in the Company Disclosure Schedule or any certificate or other document made or delivered pursuant hereto or thereto unless otherwise defined therein.

9.11 Entire Agreement. This Agreement, including the exhibits hereto and the documents and instruments referred to herein (including the Company Disclosure Schedule), embody the entire agreement and understanding of the parties hereto in respect of the subject matter contained herein. There are no

representations, promises, warranties, covenants or undertakings, other than those expressly set forth or referred to herein and therein.

9.12 Counterparts. This Agreement may be executed in any number of counterparts and by facsimile signatures, any one of which need not contain the signatures of more than one (1) party and each of which shall be an original, but all such counterparts taken together shall constitute one and the same instrument. The exchange of copies of this Agreement or amendments thereto and of signature pages by facsimile transmission or by e-mail transmission in portable digital format (or similar format) shall constitute effective execution and delivery of such instrument(s) as to the parties and may be used in lieu of the original Agreement or amendment for all purposes. Signatures of the parties transmitted by facsimile or by e-mail transmission in portable digital format (or similar format) shall be deemed to be their original signatures for all purposes.

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IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first set forth above.

"Parent"

NOVATEL WIRELESS, INC.

By: /s/ Alex Mashinsky
Name: Alex Mashinsky
Title: Chief Executive Officer

"Merger Sub"

DUCK ACQUISITION, INC.

By: /s/ Michael Newman
Name: Michael Newman
Title: President and Secretary

"Company"

R.E.R. ENTERPRISES, INC.

By: /s/ Ethan Ralston
Name: Ethan Ralston
Title: Chief Executive Officer and President

"Major Stockholders"

/s/ Robert E. Ralston
Robert E. Ralston

/s/ Ethan Ralston
Ethan Ralston

"Stockholders' Representative"
Solely for the purposes related to the Stockholders' Representative as set forth in Section 9.1

/s/ Ethan Ralston
Ethan Ralston, in his capacity as Stockholders' Representative

EXHIBIT A

CERTAIN DEFINITIONS

"2015 Acquired Corporations Balance Sheet" shall have the meaning set forth in Section 3.7(a).

"2015 Actual Gross Profit Margin" shall have the meaning set forth in Section 2.2.

"2015 Additional Earn-Out Payment" shall have the meaning set forth in Section 2.2.

"2015 Additional Gross Profit Margin Payment" shall have the meaning set forth in Section 2.2.

"2015 Additional Revenue Payment" shall have the meaning set forth in Section 2.2.

"2015 Company Cost of Revenue" shall be the total Cost of Revenue incurred by the Company for the calendar year ended December 31, 2015.

"2015 Company Excluded Cost of Revenue" shall have the meaning set forth in Section 2.2.

"2015 Company Excluded Net Revenue" shall have the meaning set forth in Section 2.2.

"2015 Company Gross Profit" shall have the meaning set forth in Section 2.2.

"2015 Company Minimum Net Revenue" shall have the meaning set forth in Section 2.2.

"2015 Company Net Revenue" shall have the meaning set forth in Section 2.2.

"2015 Company Target Net Revenue" shall have the meaning set forth in Section 2.2.

"2015 Earn-Out Payment" shall have the meaning set forth in Section 2.2.

"2015 Earn-Out Shortfall" shall have the meaning set forth in Section 2.2.

"2015 Gross Profit Margin Multiplier" shall have the meaning set forth in Section 2.2.

"2015 Maximum Gross Profit Margin" shall have the meaning set forth in Section 2.2.

"2015 Revenue Multiplier" shall have the meaning set forth in Section 2.2.

"2015 Revenue Shortfall" shall have the meaning set forth in Section 2.2.

"2015 Stretch Earn-Out Payment" shall have the meaning set forth in Section 2.2.

"2016 Actual Gross Profit Margin" shall have the meaning set forth in Section 2.2.

"2016 Additional Earn-Out Payment" shall have the meaning set forth in Section 2.2.

"2016 Additional Gross Profit Margin Payment" shall have the meaning set forth in Section 2.2.

"2016 Additional Revenue Payment" shall have the meaning set forth in Section 2.2.

"2016 Company Cost of Revenue" shall have the meaning set forth in Section 2.2.

"2016 Company Excluded Cost of Revenue" shall have the meaning set forth in Section 2.2.

"2016 Company Excluded Net Revenue" shall have the meaning set forth in Section 2.2.

"2016 Company Gross Profit" shall have the meaning set forth in Section 2.2.

"2016 Company Minimum Net Revenue" shall have the meaning set forth in Section 2.2.

"2016 Company Net Revenue" shall have the meaning set forth in Section 2.2.

"2016 Company Target Net Revenue" shall have the meaning set forth in Section 2.2.

"2016 Earn-Out Payment" shall have the meaning set forth in Section 2.2.

"2016 Earn-Out Shortfall" shall have the meaning set forth in Section 2.2.

"2016 Gross Profit Margin Multiplier" shall have the meaning set forth in Section 2.2.

"2016 Maximum Gross Profit Margin" shall have the meaning set forth in Section 2.2.

"2016 Revenue Multiplier" shall have the meaning set forth in Section 2.2.

"2016 Revenue Overage" shall have the meaning set forth in Section 2.2.

"2016 Revenue Shortfall" shall have the meaning set forth in Section 2.2.

"2016 Stretch Earn-Out Payment" shall have the meaning set forth in Section 2.2.

"2017 Actual Gross Profit Margin" shall have the meaning set forth in Section 2.2.

"2017 Company Cost of Revenue" shall have the meaning set forth in Section 2.2.

"2017 Company Excluded Cost of Revenue" shall have the meaning set forth in Section 2.2.

"2017 Company Excluded Net Revenue" shall have the meaning set forth in Section 2.2.

“2017 Company Gross Profit” shall have the meaning set forth in Section 2.2.

“2017 Company Net Revenue” shall have the meaning set forth in Section 2.2.

“2017 Company Target Net Revenue” shall have the meaning set forth in Section 2.2.

“2017 Earn-Out Payment” shall have the meaning set forth in Section 2.2.

“2017 Gross Profit Margin Multiplier” shall have the meaning set forth in Section 2.2.

“2017 Maximum Gross Profit Margin” shall have the meaning set forth in Section 2.2.

“2017 Revenue Overage” shall have the meaning set forth in Section 2.2.

“338(h)(10) Election Gross Up Amount” shall have the meaning set forth in Section 2.16.

“401(k) Plan” shall have the meaning set forth in Section 6.2(p).

“ACA” shall have the meaning set forth in Section 3.22(n).

“Acceleration Event” shall have the meaning set forth in Section 2.15.

“Acknowledgement and Release” shall have the meaning set forth in Section 6.2(o).

“Acquired Corporations Employee Benefit Plans” shall have the meaning set forth in Section 3.22(a).

“Acquired Corporations Financial Statements” shall have the meaning set forth in Section 3.7(a).

“Acquired Corporations IP Registrations” shall have the meaning set forth in Section 3.20(g).

“Acquired Corporations Material Contracts” shall have the meaning set forth in Section 3.18(a).

“Acquired Corporations Software” shall have the meaning set forth in Section 3.20(g).

“Agreement” shall have the meaning set forth in the Preamble to this Agreement.

“Allocation Schedule” shall have the meaning set forth in Section 2.15(e).

“Articles of Merger” shall have the meaning set forth in Section 1.2.

“Auditor” shall have the meaning set forth in Section 2.6(c).

“Base Earn-Out Payment” shall have the meaning set forth in Section 2.2.

“Claim Notice” shall have the meaning set forth in Section 8.2(a).

“Closing” shall have the meaning set forth in Section 1.2.

“Closing Cash Consideration” shall have the meaning set forth in Section 2.2.

“Closing Date” shall have the meaning set forth in Section 1.2.

“COBRA” shall have the meaning set forth in Section 3.19(b).

“Company” shall have the meaning set forth in the Preamble to this Agreement.

“Company Certificate” shall have the meaning set forth in Section 6.2(d).

“Company Common Stock” shall have the meaning set forth in Section 3.5(a).

“Company Disclosure Schedule” shall have the meaning set forth in Article III.

“Company Products” shall have the meaning set forth in Section 2.2.

“Company Stock Certificate” shall have the meaning set forth in Section 2.8.

“Company Stock Option” shall have the meaning set forth in Section 2.7(a).

“Company Subsidiaries” shall have the meaning set forth in Section 3.1(c).

“Contaminants” shall have the meaning set forth in Section 3.20(m)(iii).

“Controlling Party” shall have the meaning set forth in Section 8.3(c).

“Cost of Revenue” shall have the meaning set forth in Section 2.2.

“Disagreement Notice” shall have the meaning set forth in Section 2.6(b).

“Dissenting Shares” shall have the meaning set forth in Section 2.11.

“Earn-Out Objection Notice” shall have the meaning set forth in Section 2.14.

“Earn-Out Statement” shall have the meaning set forth in Section 2.14.

“Effective Time” shall have the meaning set forth in Section 1.2.

“Employee” shall have the meaning set forth in Section 3.19(e).

"Employment Arrangements" shall have the meaning set forth in the Recitals to this Agreement.

"Escrow Agreement" shall have the meaning set forth in Section 2.9(b).

"Escrow Fund" shall have the meaning set forth in Section 2.9(a).

"Escrow Fund Amount" shall have the meaning set forth in Section 2.2.

"Estimated Working Capital Amount" shall have the meaning set forth in Section 2.5(a).

"Estimated Working Capital Statement" shall have the meaning set forth in Section 2.5(a).

"Export Approvals" shall have the meaning set forth in Section 3.29(a).

"Fully Diluted Share Amount" shall have the meaning set forth in Section 2.2.

"GAAP" shall have the meaning set forth in Section 3.7(a).

"Hazardous Materials Activities" shall have the meaning set forth in Section 3.24(b).

"HMO" shall have the meaning set forth in Section 3.22(j).

"Improvements" shall have the meaning set forth in Section 3.13(c).

"Inbound Licenses" shall have the meaning set forth in Section 3.20(b).

"Indemnification Period" shall have the meaning set forth in Section 8.5(a).

"Indemnified Party" shall have the meaning set forth in Section 8.2(a).

"Indemnifying Party" shall have the meaning set forth in Section 8.2(a).

"Intellectual Property Agreements" shall have the meaning set forth in Section 3.20(b).

"IRS" shall have the meaning set forth in Section 3.22(h).

"Leased Real Property" shall have the meaning set forth in Section 3.13(b).

"Leases" shall have the meaning set forth in Section 3.13(b).

"Major Stockholder Indemnified Parties" shall have the meaning set forth in Section 8.9.

"Maximum Earn-Out Payment" shall have the meaning set forth in Section 2.2.

"Merger" shall have the meaning set forth in the Recitals to this Agreement.

"Merger Sub" shall have the meaning set forth in the Preamble to this Agreement.

"Minimum Gross Profit Margin" shall have the meaning set forth in Section 2.2.

"Net Revenue" shall have the meaning set forth in Section 2.2.

"Noncompetition Agreements" shall have the meaning set forth in the Recitals to this Agreement.

"Noncontrolling Party" shall have the meaning set forth in Section 8.3(c).

"OBCA" shall have the meaning set forth in the Recitals to this Agreement.

"Objection Notice" shall have the meaning set forth in Section 8.2(b)(ii).

"Offer Letter" shall have the meaning set for in the Recitals to this Agreement.

"Oregon Secretary" shall have the meaning set forth in Section 1.2.

"Outbound Licenses" shall have the meaning set forth in Section 3.20(b).

"Outside Date" shall have the meaning set forth in Section 7.1(b).

"Owned Real Property" shall have the meaning set forth in Section 3.13(a).

"Parent" shall have the meaning set forth in the Preamble to this Agreement.

"Parent Indemnified Party" shall have the meaning set forth in Section 8.1.

"Parent Prepared Working Capital Amount" shall have the meaning set forth in Section 2.6(a).

"Parent Prepared Working Capital Statement" shall have the meaning set forth in Section 2.6(a).

"Pension Plans" shall have the meaning set forth in Section 3.22(a).

"Per Share 2015 Earn-Out Payment" shall have the meaning set forth in Section 2.2.

"Per Share 2015 Stretch Earn-Out Payment" shall have the meaning set forth in Section 2.2.

"Per Share 2016 Earn-Out Payment" shall have the meaning set forth in Section 2.2.

“Per Share 2016 Stretch Earn-Out Payment” shall have the meaning set forth in Section 2.2.

“Per Share 2017 Earn-Out Payment” shall have the meaning set forth in Section 2.2.

“Per Share Closing Cash Consideration” shall have the meaning set forth in Section 2.2.

“Per Share Escrow Amount” shall have the meaning set forth in Section 2.2.

“Per Share Stock Payment” shall have the meaning set forth in Section 2.2.

“Post-Closing Adjustment Amount” shall have the meaning set forth in Section 2.6(e).

“Post-Closing Working Capital Amount” shall have the meaning set forth in Section 2.6(d).

“Pre-Closing Adjustment Amount” shall have the meaning set forth in Section 2.5(c).

“Pre-Closing Period” shall have the meaning set forth in Section 5.1.

“Pre-Closing Working Capital Amount” shall have the meaning set forth in Section 2.5(b).

“Privacy Statement” shall have the meaning set forth in Section 3.20(l).

“Real Property” shall have the meaning set forth in Section 3.13(b).

“Representative Losses” shall have the meaning set forth in Section 9.1(d).

“Required Financing” shall have the meaning set forth in Section 5.8.

“Reviewed Financial Statements” shall have the meaning set forth in Section 3.7(a).

“Section 338(h)(10) Elections” shall have the meanings set forth in Section 2.16(a).

“Section 338 Forms” shall have the meaning set forth in Section 2.16(a).

“Special Claims” shall have the meaning set forth in Section 8.3(b).

“Stockholders’ Representative” shall have the meaning set forth in the Preamble to this Agreement.

“Surviving Corporation” shall have the meaning set forth in Section 1.1.

“Systems” shall have the meaning set forth in Section 3.20(o).

“Takeover Statute” shall have the meaning set forth in Section 3.32.

“Total Estimated Accrual Amount” shall have the meaning set forth in Section 2.2.

“Total Stock Payment Shares” shall have the meaning set forth in Section 2.2.

“Unreviewed Financial Statements” shall have the meaning set forth in Section 3.7(a).

“Welfare Plans” shall have the meaning set forth in Section 3.22(a).

“Written Consent and Release” shall have the meaning set forth in the Recitals to this Agreement.

****

“Acquired Corporations” shall mean, collectively, the Company and its Subsidiaries, each individually being, an ***“Acquired Corporation”***.

“Acquired Corporations Constituent Documents” shall mean the articles of incorporation, bylaws and other comparable charters or organizational documents of the Acquired Corporations.

“Acquired Corporations Contract” shall mean any Contract to which any Acquired Corporation is a party or to which any assets of any Acquired Corporation are subject.

“Acquired Corporations Intellectual Property” shall mean Intellectual Property owned (or purported to be owned), used or licensed (or purported to be licensed and whether as licensor or licensee) by the Acquired Corporations.

“Acquired Corporations Owned IP” shall mean Acquired Corporations Intellectual Property in which any Acquired Corporations have an ownership interest or with respect to which any Acquired Corporation holds an exclusive license.

“Acquired Corporations Partner” shall mean any Person which manufactures, develops, packages, processes, labels, tests or distributes products pursuant to a development, commercialization, manufacturing, supply, testing or other collaboration arrangement with any Acquired Corporation.

“Acquired Corporations Permits” shall mean all material consents, authorizations, registrations, waivers, privileges, exemptions, qualifications, quotas, certificates, filings, franchises, licenses, notices, permits and rights regarding the Acquired Corporations’ use of Hazardous Materials as necessary for the lawful conduct of the Acquired Corporations’ businesses as presently conducted.

“Acquired Corporations Plan” shall mean any “employee benefit plan” (as defined in Section 3(3) of ERISA) for the benefit of any current or former director, officer, employee or consultant of the Acquired Corporations or an ERISA Affiliate, or with respect to which the Acquired Corporations or ERISA Affiliate has or may have any Liability, including any “employee welfare

benefit plan" (as defined in Section 3(1) of ERISA), any Pension Plan, any Title IV Plan, any Multiemployer Plan and any other written or oral plan, Contract or arrangement involving direct or indirect compensation or benefits, including insurance coverage, severance or other termination pay or benefits, change in control, retention, performance, holiday pay, vacation pay, fringe benefits, disability benefits, pension, retirement plans, profit sharing, deferred compensation, bonuses, stock options, stock purchase, restricted stock or stock units, phantom stock, stock appreciation or other forms of incentive compensation or post-retirement compensation, maintained or contributed to by the Acquired Corporations or an ERISA Affiliate (or that has been maintained or contributed to in the last six years by the Acquired Corporations or an ERISA Affiliate) for the benefit of any current or former director, officer, employee or consultant of the Acquired Corporations or an ERISA Affiliate, or with respect to which the Acquired Corporations or an ERISA Affiliate has or may have any Liability.

"Acquired Corporations Stock Option Plans" shall refer to any plans pursuant to which the Acquired Corporations are permitted to issue stock options or other securities convertible into equity of the Acquired Corporations.

"Acquisition Proposal" shall mean any offer, proposal or indication of interest (other than an offer, proposal or indication of interest by Parent or its Affiliates) contemplating or otherwise relating to any transaction or series of related transactions involving any:

(a) merger, consolidation, share exchange, business combination, issuance of securities, direct or indirect acquisition of securities, recapitalization, tender offer, exchange offer or other similar transaction in which: (i) a Person or "group" (as defined in the Exchange Act and the rules promulgated thereunder) of Persons directly or indirectly acquires beneficial or record ownership of securities representing more than 15% of the outstanding shares of any class of voting securities of the Company; or (ii) the Company issues securities representing more than 15% of the outstanding shares of any class of voting securities of the Company;

(b) sale, lease, exchange, transfer, acquisition or disposition of any assets that constitute or account for: (i) 15% or more of the consolidated net revenues of the Company, consolidated net income of the Company or consolidated book value of the Company; or (ii) 15% or more of the fair market value of the assets of the Company; or

(c) liquidation or dissolution of the Company.

"Affiliate" shall mean, with respect to any Person, any other Person directly or indirectly controlling, controlled by, or under common control with such Person.

"Aggregate Option Exercise Price" shall mean, with respect to any specific Company Stock Option, the product of (i) the total number of shares of Company Common Stock subject to such Company Stock Option, multiplied by (ii) the applicable exercise price of such Company Stock Option.

"Ancillary Agreements" shall mean, collectively, each Offer Letter between the Company and a Major Stockholder, each Noncompetition Agreement between the Company and a Major Stockholder, the Escrow Agreement, the Written Consent and Release, the Equity Conversion

Agreement, and the Acknowledgment and Release, each individually being an ***"Ancillary Agreement"***.

"Business Day" shall mean any day other than a Saturday, Sunday or any day on which banking institutions in the State of Delaware are closed either under applicable Law or action of any Governmental Authority.

"Code" shall mean the Internal Revenue Code of 1986, as amended.

"Company Material Adverse Effect" shall mean any circumstance, change, effect, violation, circumstances, change, effect or other matter, either individually or in the aggregate with all other violations, circumstances, changes, effects, facts and other matters that had or would reasonably be expected to have, a material adverse effect on the condition (financial or otherwise) of the business, assets (including intangible assets) and Liabilities, prospects, results of operations or financial performance of the Acquired Corporations, taken as a whole.

"Company Securities" shall mean the Company Common Stock and the Company Stock Options.

"Contract" shall mean, with respect to any Person, any agreement, instrument, contract, obligation, commitment or arrangement, whether written or oral, to which such Person is a party.

"Copyrights" shall mean, collectively, copyrights in works of authorship of any type and all rights, title and interests in all copyrights, copyright registrations and applications for copyright registration, certificates of copyright and copyrighted interests throughout the world.

"Current Assets" shall mean and include only the following line items reflected in the financial statements of the Company: (i) Cash and cash equivalents, net of any bank overdrafts; (ii) Accounts receivable, net; (iii) Inventory; and (iv) Prepaid expenses.

"Current Liabilities" shall mean and include only the following line items reflected in the financial statements of the Company: (i) Line of credit; (ii) Accounts payable; (iii) Accrued liabilities (other than the Total Estimated Accrual Amount); (iv) Customer deposits; (v) Other current liabilities; (vi) Current portion of long-term debt; and (vii) Current portion of capital lease.

"Encumbrance" shall mean any charge, claim, mortgage, servitude, easement, right of way, community or other marital property interest, covenant, equitable interest, license, lease or other possessory interest, lien, option, pledge, security interest, preference, priority, right of first refusal, restriction (other than any restriction on transferability imposed by federal or state securities Laws) or other encumbrance of any kind or nature whatsoever (whether absolute or contingent); the attachment of any of the foregoing to something is to ***"Encumber"*** that thing.

"Environmental Law" shall mean any Law, rule or regulation promulgated by any Governmental Authority relating to: (i) the control of any potential Hazardous Materials or protection of the air, water or land; (ii) solid, gaseous or liquid waste generation, handling, treatment, storage, disposal or transportation of Hazardous Materials; (iii) human health and safety with respect to exposures to and management of Hazardous Materials; or (iv) the environment.

“ERISA” shall mean the Employee Retirement Income Security Act of 1974, as amended, and the rules and regulations issued thereunder.

“ERISA Affiliate” shall mean any person (as defined in Section 3(9) of ERISA) that, together with any Acquired Corporation, would be treated as a single employer under Section 414 of the Code.

“Escrow Agent” shall mean Wilmington Trust, N.A.

“Escrow Fund Release Date” shall mean May 15, 2016.

“Exchange Act” shall mean the Securities Exchange Act of 1934, as amended.

“Excluded Shares” shall mean any Dissenting Shares and any shares of Company Common Stock owned by Parent, Merger Sub or any of their Subsidiaries.

“Exploit” or ***“Exploitation”*** shall mean to design, develop, use, reproduce, modify, display, market, import, make, have made, perform, publish, transmit, broadcast, sell, offer to sell, distribute, create improvements or derivative works based upon, or otherwise dispose of, commercialize and exploit, or authorize any third party to do any of the foregoing.

“Governmental Authority” shall mean any transnational, domestic or foreign federal, state or local governmental, regulatory or administrative authority, department, court, agency, commission or official, including any political subdivision thereof, or any non-governmental self-regulatory agency, commission or authority (including the Exchange).

“Governmental Authorization” shall mean any approval, consent, ratification, waiver, license, permit, registration or other authorization issued, granted, given or otherwise made available by or under the authority of any Governmental Authority or pursuant to any Law.

“Hazardous Materials” shall mean and include any substance that has been designated by any Governmental Authority or by applicable federal, state or local law to be radioactive, toxic, hazardous or otherwise a danger to health or the environment, including PCBs, asbestos, petroleum, urea-formaldehyde and all substances listed as hazardous substances pursuant to the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended, or defined as a hazardous waste pursuant to the United States Resource Conservation and Recovery Act of 1976, as amended, and the regulations promulgated pursuant thereto, in all cases excluding office and janitorial supplies (insofar as they are stored or used in the ordinary course of business).

“HSR Act” shall mean the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, and the rules and regulations thereunder.

“Indebtedness” shall mean with respect to any Person, without duplication, the following: (a) all obligations of the Company or any Subsidiary for borrowed money; (b) all obligations of the Company or any Subsidiary evidenced by bonds, debentures, notes or similar instruments; (c) all obligations of others for borrowed money secured by (or for which the holder of such obligation has an existing right, contingent or otherwise, to be secured by) any Encumbrance on property owned or acquired by the Company or any Subsidiary, whether or not the obligation secured thereby

has been assumed; (d) all guarantees by the Company or any Subsidiary of obligations of others for borrowed money; and (e) all obligations, contingent or otherwise, of the Company or any Subsidiary as an account party in respect of letters of credit and letters of guaranty.

"Indemnitees" shall mean and include: (i) Parent and the Parent Subsidiaries; and (ii) Parent's and the Parent Subsidiaries' current and future Affiliates (including the Surviving Corporation); (iii) the respective officers, directors, employees and agents of the Persons referred to in the foregoing clauses (i) and (ii); and (iv) the respective successors and assigns of the Persons referred to in clauses (i) and (ii) above.

"Intellectual Property" shall mean all intellectual property rights arising from or associated with the following, whether protected, created or arising under the laws of the United States or any other jurisdiction anywhere in the world, and whether registered or unregistered: (i) Marks; (ii) Patents; (iii) Copyrights; (iv) Trade Secrets; and (v) moral rights, publicity rights, data base rights and any other proprietary or intellectual property rights of any kind or nature anywhere in the world that do not comprise or are not protected by Marks, Patents, Copyrights or Trade Secrets.

"Internally Used Shrinkwrap Software" shall mean Software licensed to the Company under generally available retail shrinkwrap or clickwrap licenses and used in the Company's business, but not incorporated into Software, products or services licensed or sold, or anticipated to be licensed or sold, by the Company to customers or otherwise resold or distributed by the Company.

"Judgment" shall mean any order, injunction, judgment, decree, ruling, assessment or arbitration award of any Governmental Authority, arbitrator or mediator.

"Key Employees" shall mean and include: (i) Robert E. Ralston, (ii) Ethan Ralston, (iii) Justin Bloom, (iv) John Nepute, (v) Steve Cary, (vi) Bill Badger, (vii) Rob Burrows, (viii) Chris Anderson, (ix) Rocky Pelfrey, and (x) Patricia Brennan (each individually being a ***"Key Employee"***).

"Knowledge": (i) an individual will be considered to have "*Knowledge*" of a fact or matter if the individual is actually aware of the fact or matter or a prudent individual could be expected to discover or otherwise become aware of the fact or matter in the course of conducting a reasonably comprehensive investigation concerning the existence of the fact or matter; and (ii) an entity (including any Acquired Corporation) will be considered to have "*Knowledge*" of a fact or matter if Justin Bloom, John Nepute or any Major Stockholder of any such Acquired Corporation or any such person is, or at any time was, actually aware of the fact or matter or a prudent individual could be expected to discover or otherwise become aware of the fact or matter in the course of conducting a reasonably comprehensive investigation concerning the existence of the fact or matter within the normal scope of performing their job duties. For the avoidance of any doubt, references to the "Knowledge of the Acquired Corporations" or "the Acquired Corporations' Knowledge" shall mean, and be deemed to include the Knowledge of one or more of any Acquired Corporations.

"Law" shall mean any federal, state, local, municipal, foreign, international, multinational, or other constitution, law, statute, treaty, rule, regulation, ordinance, code, binding case law or principle of common law.

"Liability" shall include liabilities, Indebtedness or other obligations of any nature, whether known or unknown, absolute, accrued, contingent, liquidated, unliquidated or otherwise, due or to become due or otherwise, and whether or not required to be reflected on a balance sheet prepared in accordance with GAAP.

"Loss" shall mean any loss, Proceeding, Judgment, damage, fine, penalty, expense (including reasonable attorneys' or other professional fees and expenses and court costs), injury, Liability, Tax, Encumbrance or other cost, expense, whether or not involving the claim of another Person.

"***made available***" or "***provided***" with respect to documents and other diligence materials delivered, made available or provided to Parent, means actually delivered to Parent or its counsel or posted in the electronic data room for this transaction.

"Major Stockholders" shall mean, collectively, (i) Robert E. Ralston and (ii) Ethan Ralston (each individually being a ***"Major Stockholder"***).

"Marks" shall mean, collectively, the trade names, trademarks and service marks, logos, corporate names, domain names and other Internet addresses or identifiers, trade dress and similar rights, and applications (including intent to use applications) to register any of the foregoing and all goodwill associated therewith throughout the world.

"Merger Consideration" shall mean any consideration payable to the holders of Company Common Stock or Company Stock Options under Article II of this Agreement.

"Multiemployer Plan" shall have the meaning set forth in Section 3(37)(A) of ERISA.

"Open Source Software" shall mean any software that contains or is derived in any manner (in whole or in part) from any software, code or libraries that are distributed as free software or as open source software or under any licensing or distribution models similar to open source, including but not limited to any software licensed under or subject to terms that require source code to be provided or made available to subsequent licensees or sublicensees (regardless of whether the license restricts source code from being distributed in modified form) or which may impose any other obligation or restriction with respect to a Party's Intellectual Property, including, without limitation, any software licensed under or subject to the Artistic License, the Mozilla Public License, the GNU GPL, the LGPL, any other license that is defined as an "Open Source License" by the Open Source Initiative, and any similar license or distribution model. Subsequent licensees or sublicensees of any software include any Person that receives any copies of or rights with respect to such software.

"Parent Common Stock" shall mean the common stock of Parent, par value $0.001 per share.

"Parent Subsidiaries" shall mean the Subsidiaries of Parent.

"Patents" shall mean, collectively, patents (including all reissues, divisionals, provisionals, continuations and continuations-in-part, re-examinations, renewals, substitutions and extensions thereof), patent applications and other patent rights and any other Governmental Authority-issued

indicia of invention ownership (including inventor's certificates, petty patents and patent utility models).

"Permits" shall mean all material consents, authorizations, registrations, waivers, privileges, exemptions, qualifications, quotas, certificates, filings, franchises, licenses, notices, permits and rights necessary for the lawful conduct of the Acquired Corporations' businesses as presently conducted, or the lawful ownership of properties and assets or the operation of their businesses as conducted on the date hereof.

"Permitted Encumbrances" shall mean (a) statutory liens for Taxes that are not yet due and payable, (b) statutory liens to secure obligations to landlords, lessors or renters under leases or rental agreements, (c) deposits or pledges made in connection with, or to secure payment of, workers' compensation, unemployment insurance or similar programs mandated by Law, (d) statutory liens in favor of carriers, warehousemen, mechanics and materialmen, to secure claims for labor, materials or supplies and other like liens, and (e) any minor imperfection of title or similar liens, charges or encumbrances which individually or in the aggregate with other such liens, charges and encumbrances does not impair the value of the property subject to such lien, charge or encumbrance or the use of such property in the conduct of the Company's business.

"Person" shall mean any individual, group, organization, corporation, partnership, joint venture, limited liability company, trust or entity of any kind.

"Pre-Closing Taxes" shall mean (i) all Taxes of the Acquired Corporations for any taxable period ending on or before the Closing Date; (ii) the pre-Closing Date portion of any Taxes of the Acquired Corporations due and payable for any period commencing on or before the Closing Date and ending after the Closing Date, which shall be determined as follows: (x) in the case of property, ad valorem, and other Taxes imposed on a periodic basis, Pre-Closing Taxes shall be the amount of such Taxes for the entire taxable period multiplied by a fraction the numerator of which is the number of days in the taxable period ending as of the Closing Date and the denominator of which is the number of days in the entire taxable period, and (y) in the case of Taxes based upon or related to income, gains, receipts, employment, sales, use, or other Taxes imposed on a non-periodic basis, Pre-Closing Taxes shall be the amount of such Taxes that would be payable as of the Closing Date pursuant to an interim closing-of-the-books; (iii) all transfer, documentary, sales, use, registration, and other such Taxes and conveyance fees, recording charges, and similar charges (including any penalties and interest thereon) incurred in connection with the consummation of the transactions contemplated by this Agreement; and (iv) all Taxes attributable to the making of the 338(h)(10) Elections, as described in Section 2.16 hereof, other than Taxes imposed by a state directly on the Company (and that are not passed through to the Major Stockholders) that are exclusively attributable to the making of the Section 338(h)(10) Elections.

"Pro Rata Share of Escrow" shall be determined for an owner of Company Securities, by multiplying (A) the Per Share Escrow Amount, by (B) the number of Company Securities beneficially owned by such holder of Company Securities.

"Proceeding" shall means any action, arbitration, audit, claim, examination, investigation, hearing, litigation, mediation or suit (whether civil, criminal, administrative, judicial or investigative, whether formal or informal, and whether public or private) commenced, brought,

conducted or heard by or before, or otherwise involving, any Governmental Authority, arbitrator or mediator.

"Representatives" shall mean a party's officers, directors, employees, agents, attorneys, accountants, advisors and representatives.

"Required Stockholder Approvals" shall mean the adoption of this Agreement and the approval of the transactions contemplated hereby, including the Merger, by the holders of a majority of the outstanding Company Common Stock.

"Sale Transaction" shall mean any of (a) the sale, in a single transaction or series of related transactions, of all or substantially all of the assets of the Surviving Corporation; (b) (i) the merger or consolidation of the Surviving Corporation on the date following the Closing Date into or with one or more Persons, (ii) a tender or exchange offer or other business combination transaction involving the Surviving Corporation, or (iii) the issuance, sale or transfer, in a single transaction or a series of related transactions, of shares of stock of the Surviving Corporation, in each case following which Parent ceases to own, directly or indirectly, a majority of the economic and voting interests in the Surviving Corporation; or (c) any dissolution, winding up, or liquidation of the Surviving Corporation.

"Software" shall mean computer programs, together with input and output formats, the applicable source or object codes, data models, flow charts, outlines, narrative descriptions, operating instructions, software manufacturing instructions and scripts, test specifications and test scripts and supporting documentation, and shall include the tangible media upon which such programs and documentation are recorded, including all corrections, updates, new releases and new versions, translations, modifications, updates, upgrades, substitutions, replacements and other changes to the foregoing.

"Stockholder" shall mean any holder of Company Common Stock.

"Subsidiary", when used with respect to any Person, shall mean any corporation or other organization, whether incorporated or unincorporated, of which: (i) at least a majority of the securities or other interests having by their terms ordinary voting power to elect a majority of the board of directors or others performing similar functions with respect to such corporation or other organization is directly or indirectly owned or controlled by such Person (through ownership of securities, by contract or otherwise); or (ii) such Person or any Subsidiary of such Person is a general partner of any general partnership or a manager of any limited liability company.

"Target Working Capital Amount" shall mean $1,372,000.

"Tax" or ***"Taxes"*** refers to (i) any and all federal, state, local and foreign taxes, assessments and other governmental charges, duties, impositions and liabilities relating to taxes, including taxes based upon or measured by gross receipts, income (gross or net), profits, sales, use and occupation, and value added, ad valorem, transfer, franchise, withholding, payroll, recapture, employment, escheat, excise and property taxes, together with all interest, penalties and additions imposed with respect to such amounts, (ii) any Liability for the payment of amounts described in clause (i) whether as a result of transferee liability, of being a member of an affiliated, consolidated, combined or

unitary group for any period, or otherwise through operation of law, (iii) any Liability for the payment of amounts described in clauses (i) or (ii) as a result of any tax sharing, tax indemnity or tax allocation agreement or any other express or implied agreement to indemnify any other person, and (iv) any loss in connection with the determination, settlement, or litigation of any of the foregoing.

"Tax Returns" shall mean, collectively, all federal, state and local and foreign returns, schedules estimates, information statements and reports relating to Taxes, individually each being a ***"Tax Return"***.

"Third Party Intellectual Property" shall mean Acquired Corporations Intellectual Property that is not owned solely by the Acquired Corporations.

"Title IV Plan" shall mean any Pension Plan subject to Title IV of ERISA.

"Trade Secrets" shall mean, collectively, all rights, title and interests in all trade secrets and trade secret rights arising under common law, state law, federal law or laws of foreign countries and all rights, title and interest in all know-how, ideas, concepts, inventions, designs, discoveries, developments, methods, techniques, procedures, processes, methods, technical data, schematics, specifications, research and development information, products, hardware, software (including but not limited to, firmware or software in the form of source code, object code, byte code or other format), technology, product roadmaps, customer lists and any other information, in each case to the extent any of the foregoing derives economic value (actual or potential) from not being generally known to other persons who can obtain economic value from its disclosure or use.

"Treasury Regulations" shall mean those tax regulations issued by the IRS that act as the United States of America Treasury Department's official interpretations of the Code.

"WARN Act" shall mean the U.S. Worker Adjustment and Retraining Notification Act and the rules and regulations issued thereunder and any similar applicable state or local law and the rules and regulations issued thereunder.

"Working Capital Amount" as of any date shall mean an amount equal to (A) the total amount of Current Assets as of such date, minus, (B) the total amount of Current Liabilities as of such date.

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NEITHER THIS SECURITY NOR THE SECURITIES ISSUABLE UPON EXERCISE OF THIS SECURITY HAVE BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR APPLICABLE STATE SECURITIES LAWS. THE SECURITIES MAY NOT BE OFFERED FOR SALE, SOLD, TRANSFERRED OR ASSIGNED (I) IN THE ABSENCE OF (A) AN EFFECTIVE REGISTRATION STATEMENT FOR THE SECURITIES UNDER THE SECURITIES ACT OR (B) AN AVAILABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS OR BLUE SKY LAWS AS EVIDENCED BY A LEGAL OPINION OF COUNSEL REASONABLY SATISFACTORY TO THE COMPANY AND ITS TRANSFER AGENT OR (II) UNLESS SOLD PURSUANT TO RULE 144 UNDER SAID ACT.

NOVATEL WIRELESS, INC.

WARRANT TO PURCHASE COMMON STOCK

Warrant No.: 4

Date of Issuance: March 26, 2015 ("**Issuance Date**")

Novatel Wireless, Inc., a Delaware corporation (the "**Company**"), hereby certifies that, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, HC2 Holdings 2, Inc., a Delaware corporation, the registered holder hereof or its permitted assigns (the "**Holder**"), is entitled, subject to the terms set forth below, to purchase from the Company, at the Exercise Price (as defined below) then in effect, upon surrender of this Warrant to Purchase Common Stock (including any Warrant to Purchase Common Stock issued in exchange, transfer or replacement hereof, the "**Warrant**"), at any time or times on or after the date that is six (6) months following the Issuance Date (the "**Exercisability Date**"), but not after 11:59 p.m., New York time, on the date that is the five year anniversary of the Issuance Date (the "**Expiration Date**"), 1,593,583 fully paid and nonassessable shares of Common Stock (as defined below) (subject to adjustment as provided herein, the "**Warrant Shares**"). Except as otherwise defined herein, capitalized terms used in this Warrant shall have the meanings set forth in Section 15.

1. Exercise of Warrant.

(a) Mechanics of Exercise. Subject to the terms and conditions hereof, this Warrant may be exercised by the Holder on any day on or after the Exercisability Date (but in no event after 11:59 p.m., New York time, on the Expiration Date), in whole or in part (but not as to fractional shares), by (i) delivery of a written notice, in the form attached hereto as Exhibit A, appropriately completed and duly signed (the "**Exercise Notice**"), of the Holder's election to exercise this Warrant and (ii) if the Holder is not electing a Cashless Exercise (as defined below) pursuant to Section 1(b) of this Warrant, payment to the Company of an amount equal to the Exercise Price then in effect multiplied by the number of Warrant Shares as to which this Warrant is being exercised (the "**Aggregate Exercise Price**") in cash or wire transfer of immediately available funds (the items under (i) and (ii) above, the "**Exercise Delivery Documents**"). Upon receipt of the Exercise Delivery Documents, the Company shall promptly issue and deliver, or cause to be issued and delivered, to the Holder a certificate for the Warrant Shares issuable upon such exercise. The Holder shall be deemed for all corporate purposes to have become the holder of record of the Warrant Shares with respect to which this Warrant has been exercised as of the date on which the

Holder shall have delivered the Exercise Delivery Documents to the Company. If this Warrant is exercised such that the number of Warrant Shares being acquired upon such exercise is less than the number of Warrant Shares represented by this Warrant, then the Company shall as soon as practicable after any such submission, issue a new Warrant (in accordance with Section 7(d)) representing the right to purchase the number of Warrant Shares purchasable immediately prior to such exercise under this Warrant, less the number of Warrant Shares with respect to which this Warrant has been exercised. The Company shall pay any and all taxes and other expenses of the Company (including overnight delivery charges) that may be payable with respect to the issuance and delivery of Warrant Shares upon exercise of this Warrant; *provided, however*, that the Company shall not be required to pay any tax which may be payable in respect of any transfer involved in the registration of any certificates for Warrant Shares or Warrants in a name other than that of the Holder or an affiliate thereof. The Holder shall be responsible for all other tax liability that may arise as a result of holding or transferring this Warrant.

(b) Cashless Exercise. Notwithstanding anything contained herein to the contrary, from and after the Exercisability Date, if a registration statement covering the Warrant Shares that are the subject of the Exercise Notice, or an exemption from registration, is not available for the resale of such Warrant Shares, the Holder may, in its sole discretion, exercise this Warrant in whole or in part and, in lieu of making the cash payment otherwise contemplated to be made to the Company upon such exercise in payment of the Aggregate Exercise Price, elect instead to receive upon such exercise the "**Net Number**" of shares of Common Stock determined according to the following formula (a "**Cashless Exercise**"):

For purposes of the foregoing formula:

"A" equals the total number of shares with respect to which this Warrant is then being exercised;

"B" equals the arithmetic average of the Closing Sale Prices of the shares of Common Stock for the five (5) consecutive Trading Days ending on the date immediately preceding the date of the Exercise Notice; and

"C" equals the Exercise Price then in effect for the applicable Warrant Shares at the time of such exercise.

(c) Rule 144. For purposes of Rule 144(d) promulgated under the Securities Act of 1933, as amended (the "**Securities Act**"), as in effect on the date hereof, assuming the Holder is not an affiliate of the Company, it is intended that the Warrant Shares issued in a Cashless Exercise shall be deemed to have been acquired by the Holder, and the holding period for the Warrant Shares shall be deemed to have commenced, on the Issuance Date.

(d) Disputes. In the case of a dispute as to the determination of the Exercise Price or the arithmetic calculation of the Warrant Shares, the Company shall promptly issue to the Holder the number of Warrant Shares that are not disputed.

(e) [Reserved.]

2. Adjustment of Exercise Price and Number of Warrant Shares. The Exercise Price and the number of Warrant Shares shall be adjusted from time to time as follows:

(a) Voluntary Adjustment by the Company. The Company may, at any time following the Stockholder Approval, reduce the then current Exercise Price to any amount and for any period of time deemed appropriate by the Board of Directors of the Company (the "**Board**").

(b) Adjustment upon Subdivision or Combination of Common Stock. If the Company, at any time while this Warrant is outstanding, subdivides (by any stock split, stock dividend, recapitalization, reorganization, scheme, arrangement or otherwise) one or more classes of its outstanding shares of Common Stock into a greater number of shares, the Exercise Price in effect immediately prior to such subdivision will be proportionately reduced and the number of Warrant Shares will be proportionately increased (*e.g.*, a 2:1 Common Stock split shall result in a decrease in the Exercise Price by one-half (1/2) and an increase in the number of Warrant Shares by a multiple of 2, taking into account all prior adjustment made thereto under this Section 2(b)). If the Company at any time on or after the Issuance Date combines (by any stock split, stock dividend, recapitalization, reorganization, scheme, arrangement or otherwise) one or more classes of its outstanding shares of Common Stock into a smaller number of shares, the Exercise Price in effect immediately prior to such combination will be proportionately increased and the number of Warrant Shares will be proportionately decreased (*e.g.*, a 1:2 Common Stock combination shall result in an increase in the Exercise Price by a multiple of 2 and a decrease in the number of Warrant Shares by one-half (1/2), taking into account all prior adjustments made thereto under this Section 2(b)). Any adjustment under this Section 2(b) shall become effective at the close of business on the date the subdivision or combination becomes effective.

(c) [Reserved.]

(d) Special Distributions. In case the Company shall declare a dividend or make any other distribution (excluding dividends of its Common Stock and other dividends or distributions referred to in Section 2(b)), including, without limitation, in cash, in property or assets, to holders of Common Stock (a "**Special Distribution**"), then the Board shall set aside the amount of such dividend or distribution that the Holder would have been entitled to receive had it exercised the Warrant prior to the record date for such dividend or distribution. Upon the exercise of the Warrant, the Holder or the Holder's subsequent permitted transferee(s) shall be entitled to receive such dividend or distribution that the Holder would have received had the Warrant been exercised immediately prior to the record date for such dividend or distribution. When a Special Distribution is made, the Company shall promptly notify the Holder of such event and of the dividend or other distribution that such Holder is entitled to receive upon exercise of the Warrant.

(e) Notice of Any Adjustment. When any adjustment is required to be made in the number or kind of Warrant Shares or in the Exercise Price, the Company shall promptly notify the Holder of such event and of the number of Warrant Shares or other securities or property thereafter purchasable upon exercise of the Warrant and the Exercise Price thereof.

3. Investors' Rights Agreement. This Warrant shall be subject to the terms of that certain Investors' Rights Agreement, dated September 8, 2014, by and among the Company and the Investors party thereto (the "**Investors' Rights Agreement**") and the Holder shall be entitled to all of the rights and subject to all of the obligations under such Investors' Rights Agreement. The Warrant Shares shall be deemed "Registrable Securities," as defined in the Investors' Rights Agreement.

4. Fundamental Transactions. This Warrant, without any action of the Holder thereof, immediately upon the consummation of any Fundamental Transaction that occurs while this Warrant is outstanding shall be converted into the right to receive, for each Warrant Share that would have been issuable upon such exercise immediately prior to the occurrence of such Fundamental Transaction, the same kind and amount of securities, cash or property as it would have been entitled to receive upon the occurrence of such Fundamental Transaction if the Holder had been, immediately prior to such Fundamental Transaction, the holder of one share of Common Stock (the "**Alternate Consideration**"), net of the Exercise Price in effect immediately prior to the occurrence of such Fundamental Transaction. If the holders of Common Stock are given any choice as to the securities, cash or property to be received in a Fundamental Transaction, then the Holder shall be given the same choice as to the Alternate Consideration it receives upon automatic exercise of this Warrant.

5. Covenants of the Company

(a) No Impairment. The Company hereby covenants and agrees that the Company will not, by amendment of its Amended and Restated Certificate of Incorporation, bylaws or through any reorganization, transfer of assets, consolidation, merger, scheme of arrangement, dissolution, issue or sale of securities, or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms of this Warrant, and will at all times in good faith comply with all the provisions of this Warrant and take all actions consistent with effectuating the purposes of this Warrant.

(b) Warrant Shares. The Company hereby covenants and agrees that all Warrant Shares that may be issued upon the valid exercise of the rights represented by this Warrant will, upon issuance in accordance with the terms hereof (including payment of the Exercise Price), be validly issued, fully paid and nonassessable, and free and clear of all encumbrances and restrictions, except for restrictions on transfer set forth in the Investors' Rights Agreement or imposed by applicable securities laws and except for those created by the Holder. If at any time following the Exercisability Date and prior to the Expiration Date the number of authorized but unissued shares of Common Stock shall not be sufficient to permit exercise of this Warrant, the Company will use commercially reasonable best efforts to take such corporate action as may, in the opinion of its counsel, be necessary to increase its authorized but unissued shares of Common Stock in the amount of any such deficiency.

6. Warrant Holder Not Deemed a Stockholder. Except as otherwise specifically provided herein, the Holder, solely in such Person's capacity as a holder of this Warrant, shall not be entitled to vote or receive dividends or be deemed the holder of capital stock of the Company for any purpose, nor shall anything contained in this Warrant be construed to confer upon the Holder, solely in such Person's capacity as the Holder of this Warrant, any of the rights of a stockholder of the Company or any right to vote, give or withhold consent to any corporate action (whether any reorganization, issue of stock, reclassification of stock, consolidation, merger, conveyance or otherwise), receive notice of meetings, receive dividends or subscription rights, or otherwise, prior to the issuance to the Holder of the Warrant Shares which such Person is then entitled to receive upon the valid exercise of this Warrant. In addition, nothing contained in this Warrant shall be construed as imposing any liabilities on the Holder to purchase any securities (upon exercise of this Warrant or otherwise) or as a stockholder of the Company, whether such liabilities are asserted by the Company or by creditors of the Company.

7. Reissuance of Warrants.

(a) Transfer of Warrant. If this Warrant is to be transferred, the Holder shall surrender this Warrant to the Company and deliver the completed and executed Assignment Form, in the form attached hereto as Exhibit B, whereupon the Company will forthwith issue and deliver upon the order of the Holder a new Warrant (in accordance with Section 7(d)), registered as the Holder may request, representing the right to purchase the number of Warrant Shares being transferred by the Holder and, if less than the total number of Warrant Shares then underlying this Warrant is being transferred, a new Warrant (in accordance with Section 7(d)) to the Holder representing the right to purchase the number of Warrant Shares not being transferred; *provided, however,* that no Warrants for fractional shares of Common Stock shall be transferred.

(b) Lost, Stolen or Mutilated Warrant. Upon receipt by the Company of evidence reasonably satisfactory to the Company of the loss, theft, destruction or mutilation of this Warrant, and, in the case of loss, theft or destruction, of any indemnification undertaking by the Holder to the Company in customary form and, in the case of mutilation, upon surrender and cancellation of this Warrant, the Company shall execute and deliver to the Holder a new Warrant (in accordance with Section 7(d)) representing the right to purchase the Warrant Shares then underlying this Warrant.

(c) Exchangeable for Multiple Warrants. This Warrant is exchangeable, upon the surrender hereof by the Holder at the principal office of the Company, for a new Warrant or Warrants (in accordance with Section 7(d)) representing in the aggregate the right to purchase the number of Warrant Shares then underlying this Warrant, and each such new Warrant will represent the right to purchase such portion of such Warrant Shares as is designated by the Holder at the time of such surrender; *provided, however,* that no Warrants for fractional shares of Common Stock shall be given.

(d) Issuance of New Warrants. Whenever the Company is required to issue a new Warrant pursuant to the terms of this Warrant, such new Warrant (i) shall be substantially similar to this Warrant, (ii) shall represent, as indicated on the face of such new Warrant, the right to purchase the Warrant Shares then underlying this Warrant (or in the case of a new Warrant being issued pursuant to Section 7(a) or Section 7(c), the Warrant Shares designated by the Holder which, when added to the number of shares of Common Stock underlying the other new Warrants issued in connection with such issuance, does not exceed the number of Warrant Shares then underlying this Warrant), (iii) shall have an issuance date, as indicated on the face of such new Warrant, which is the same as the Issuance Date, and (iv) shall have the same rights and conditions as this Warrant.

8. Notices. Unless otherwise provided, any notice required or permitted under this Warrant shall be given in writing and shall be deemed effectively given as hereinafter described (a) if given by personal delivery, then such notice shall be deemed given upon such delivery, (b) if given by facsimile, then such notice shall be deemed given upon receipt of confirmation of complete transmittal, (c) if given by electronic mail during normal business hours of the recipient, and if not sent during normal business hours, then on the recipient's next business day, (d) if given by mail, then such notice shall be deemed given upon the earlier of (i) receipt of such notice by the recipient or (ii) three days after such notice is deposited in first class mail, postage prepaid, and (e) if given by an internationally recognized overnight air courier, then such notice shall be deemed given one (1) Business Day after delivery to such carrier. All notices shall be addressed to the party to be

notified at the address as follows, or at such other address as such party may designate by ten days' advance written notice to the other party:

If to the Company:

Novatel Wireless, Inc.
9645 Scranton Road
San Diego, California 92121
Attention: President and Chief Operating Officer
Fax: (858) 812-3402
E-mail: ssouissi@novatelwireless.com

With a copy to:

Paul Hastings LLP
4747 Executive Drive, 12th Floor
San Diego, California 92121
Attention: Carl Sanchez and Teri O'Brien
Fax: (858) 458-3131
E-mail: carlsanchez@paulhastings.com; teriobrien@paulhastings.com

If to the Holder:

Andrea L. Mancuso
Acting General Counsel & Corporate Secretary
c/o HC2 Holdings, Inc.
460 Herndon Parkway, Suite 150
Herndon, VA 20170

9. Amendment and Waiver. No failure or delay on the part of the Company or the Holder in exercising any right, power or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right, power or remedy preclude any other or further exercise thereof or the exercise of any other right, power or remedy. Except as otherwise provided herein, the provisions of this Warrant may be amended and the Company may take any action herein prohibited, or omit to perform any act herein required to be performed by it, only if the Company has obtained the written consent of the Required Holders. Any such amendment shall apply to all Warrants and be binding upon all registered holders of such Warrants.

10. Governing Law; Consent to Jurisdiction; Waiver of Jury Trial. This Warrant shall be governed by, and construed in accordance with, the internal laws of the State of New York, without reference to the choice of law provisions thereof. The Company and, by accepting this Warrant, the Holder, each irrevocably submits to the exclusive jurisdiction of the courts of the State of New York located in New York County and the United States District Court for the Southern District of New York for the purpose of any suit, action, proceeding or judgment relating to or arising out of this Warrant and the transactions contemplated hereby. Service of process in connection with any such suit, action or proceeding may be served on each party hereto anywhere in the world by the same methods as are specified for the giving of notices under this Warrant. The Company and, by accepting this Warrant, the Holder, each irrevocably consents to the jurisdiction of any such court in any such suit, action or proceeding and to the laying of venue in such court. The Company and,

by accepting this Warrant, the Holder, each irrevocably waives any objection to the laying of venue of any such suit, action or proceeding brought in such courts and irrevocably waives any claim that any such suit, action or proceeding brought in any such court has been brought in an inconvenient forum. **EACH OF THE COMPANY AND, BY ITS ACCEPTANCE HEREOF, THE HOLDER HEREBY WAIVES ANY RIGHT TO REQUEST A TRIAL BY JURY IN ANY LITIGATION WITH RESPECT TO THIS WARRANT AND REPRESENTS THAT COUNSEL HAS BEEN CONSULTED SPECIFICALLY AS TO THIS WAIVER.**

11. Construction; Headings. This Warrant shall be deemed to be jointly drafted by the Company and the Holder and shall not be construed against any person as the drafter hereof. The headings of this Warrant are for convenience of reference and shall not form part of, or affect the interpretation of, this Warrant.

12. Dispute Resolution. In the case of a dispute as to the determination of the Exercise Price or the arithmetic calculation of the Warrant Shares, the Company shall submit the disputed determinations or arithmetic calculations via facsimile or e-mail within three (3) Business Days of receipt of the Exercise Notice giving rise to such dispute, as the case may be, to the Holder. If the Holder and the Company are unable to agree upon such determination or calculation of the Exercise Price or the Warrant Shares within three (3) Business Days of such disputed determination or arithmetic calculation being submitted to the Holder, then the Company shall, within two (2) Business Days submit via facsimile or e-mail (a) the disputed determination of the Exercise Price to an independent, reputable investment bank selected by the Company and approved by the Holder, which approval shall not be unreasonably withheld, or (b) the disputed arithmetic calculation of the Warrant Shares to the Company's independent, outside accountant. The Company shall cause the investment bank or the accountant, as the case may be, to perform the determinations or calculations and notify the Company and the Holder of the results no later than twenty (20) Business Days from the time it receives the disputed determinations or calculations. The prevailing party in any dispute resolved pursuant to this Section 12 shall be entitled to the full amount of all reasonable expenses, including all costs and fees paid or incurred in good faith, in relation to the resolution of such dispute. Such investment bank's or accountant's determination or calculation, as the case may be, shall be binding upon all parties absent demonstrable error.

13. Remedies. The remedies provided in this Warrant shall be cumulative and in addition to all other remedies available under this Warrant, at law or in equity (including a decree of specific performance and/or other injunctive relief), and nothing herein shall limit the right of the Holder to pursue actual damages for any failure by the Company to comply with the terms of this Warrant.

14. Transfer. Subject to applicable laws, this Warrant may be offered for sale, sold, transferred or assigned without the consent of the Company.

15. Certain Definitions. For purposes of this Warrant, the following terms shall have the following meanings:

(a) "**Bloomberg**" means Bloomberg Financial Markets.

(b) "**Business Day**" means any day other than Saturday, Sunday or other day on which commercial banks in The City of New York are authorized or required by law or executive order to remain closed.

(c) "**Closing Sale Price**" means, for any security as of any date, the last closing trade price for such security on the Principal Market, as reported by Bloomberg, or, if the Principal Market begins to operate on an extended hours basis and does not designate the closing trade price then the last trade price of such security prior to 4:00 p.m., New York time, as reported by Bloomberg, or, if the Principal Market is not the principal securities exchange or trading market for such security, the last trade price of such security on the principal securities exchange or trading market where such security is listed or traded as reported by Bloomberg, or if the foregoing do not apply, the last trade price of such security in the over-the-counter market on the electronic bulletin board for such security as reported by Bloomberg, or, if no last trade price is reported for such security by Bloomberg, the average of the ask prices of any market makers for such security as reported in the "pink sheets" by Pink Sheets LLC (formerly the National Quotation Bureau, Inc.). If the Closing Sale Price cannot be calculated for a security on a particular date on any of the foregoing bases, the Closing Sale Price of such security on such date shall be the Fair Market Value as mutually determined by the Company and the Holder. All such determinations to be appropriately adjusted for any stock dividend, stock split, stock combination or other similar transaction during the applicable calculation period.

(d) "**Common Stock**" means (i) the Company's shares of Common Stock, par value $0.001 per share, and (ii) any share capital into which such Common Stock shall have been changed or any share capital resulting from a reclassification of such Common Stock.

(e) "**Exercise Price**" means $5.50 per share, subject to adjustment as provided herein.

(f) "**Fair Market Value**" shall mean the amount which a willing buyer, under no compulsion to buy, would pay a willing seller, under no compulsion to sell, in an arm's length transaction.

(g) "**Fundamental Transaction**" means the occurrence of any of the following in one or a series of related transactions: (i) an acquisition after the Issuance Date by an individual or legal entity or "group" (as described in Rule 13d-5(b)(1) under the Securities Exchange Act of 1934, as amended) of more than one-half of the voting rights or voting equity interests in the Company; (ii) a merger or consolidation of the Company or a sale of all or substantially all of the assets of the Company in one or a series of related transactions, unless following such transaction or series of transactions, the holders of the Company's securities prior to the first such transaction continue to hold at least half of the voting rights or voting equity interests in the surviving entity or acquirer of such assets; (iii) a recapitalization, reorganization or other transaction involving the Company that constitutes or results in a transfer of more than one-half of the voting rights or voting equity interests in the Company; (iv) consummation of a "Rule 13e-3 transaction" as defined in Rule 13e-3 under the Securities Exchange Act of 1934, as amended, with respect to the Company; or (v) the completion of any tender offer or exchange offer (whether by the Company or another Person) pursuant to which holders of Common Stock are permitted to tender or exchange their shares for other securities, cash or property.

(h) "**Person**" means an individual, corporation, partnership, limited liability company, trust, business trust, association, joint stock company, joint venture, sole proprietorship, unincorporated organization, governmental authority or any other form of entity not specifically listed herein.

(i) "**Principal Market**" means The NASDAQ Global Select Market.

(j) "**Required Holders**" means, as of any date, the holders of at least a majority of the Warrants outstanding as of such date.

(k) "**Trading Day**" means any day on which the Common Stock is traded on the Principal Market, or, if the Principal Market is not the principal trading market for the Common Stock, then on the principal securities exchange or securities market on which the Common Stock is then traded; *provided* that "Trading Day" shall not include any day on which the Common Stock is scheduled to trade on such exchange or market for less than 4.5 hours or any day that the Common Stock is suspended from trading during the final hour of trading on such exchange or market (or if such exchange or market does not designate in advance the closing time of trading on such exchange or market, then during the hour ending at 4:00 p.m., New York time).

[Signature Page Follows]

IN WITNESS WHEREOF, the Company has caused this Warrant to Purchase Common Stock to be duly executed as of the Issuance Date set out above.

NOVATEL WIRELESS, INC.

By: ___/s/ Michael Newman_______________
Name: Michael Newman
Title: Chief Financial Officer and Secretary

AGREED AND ACCEPTED BY

HC2 HOLDINGS 2, INC.

By: ___/s/ Keith Hladek_______________
Name: Keith Hladek
Title: Chief Operating Officer

[SIGNATURE PAGE TO NOVATEL WIRELESS, INC. WARRANT]

EXHIBIT A

EXERCISE NOTICE

TO BE EXECUTED BY THE REGISTERED HOLDER TO EXERCISE THIS WARRANT TO PURCHASE COMMON STOCK NOVATEL WIRELESS, INC.

Complete and deliver this Exercise Notice to:

Novatel Wireless, Inc.
9645 Scranton Road
San Diego, California 92121
Attention: Chief Financial Officer

With a copy to:

Paul Hastings LLP
4747 Executive Drive, 12th Floor
San Diego, California 92121
Attention: Carl Sanchez and Teri O’Brien

The undersigned holder hereby exercises the right to purchase _________________ of the shares of Common Stock (“**Warrant Shares**”) of Novatel Wireless, Inc., a Delaware corporation (the “**Company**”), evidenced by the attached Warrant to Purchase Common Stock (the “**Warrant**”). Capitalized terms used herein and not otherwise defined shall have the respective meanings set forth in the Warrant.

1. Form of Exercise Price. The Holder intends that payment of the Exercise Price shall be made as:

____________ a “Cash Exercise” with respect to _________________ Warrant Shares; and/or

____________ a “Cashless Exercise” with respect to _______________ Warrant Shares.

2. Payment of Exercise Price. In the event that the holder has elected a Cash Exercise with respect to some or all of the Warrant Shares to be issued pursuant hereto, the holder shall pay the Aggregate Exercise Price in the sum of $___________________ to the Company in accordance with the terms of the Warrant.

3. Accredited Investor. At the time such holder was offered the Warrant, it was, and on the date hereof, and on each date on which it exercises any Warrants, it will be either: (i) an “accredited investor” as defined in Regulation D promulgated under the Securities Act of 1933, as amended, or (ii) a “qualified institutional buyer” as defined in Rule 144A(a) under the Securities Act. Such holder is not required to be registered as a broker-dealer under Section 15 of the Securities Exchange Act of 1934, as amended.

4. Delivery of Warrant Shares. The undersigned requests that the certificates for the Warrant Shares be issued in the name of and delivered to the following DWAC Account Numbers or by physical delivery of a certificate to: ____.

Date: _______________ __, ______

Name of Registered Holder

By: __
Name:
Title:

Acknowledgment of confirmation of receipt of the Exercise Delivery Documents to be sent to Registered Holder to the following:

☐ E-mail: ☐ Fax:

EXHIBIT B

ASSIGNMENT FORM
NOVATEL WIRELESS, INC.

(To assign the foregoing Warrant, execute this form and supply required information. Do not use this form to purchase shares.)

FOR VALUE RECEIVED, the foregoing Warrant and all rights evidenced thereby are hereby assigned to:

Name:

(Please Print)

Address:

(Please Print)

Dated: ________________ __, ______

Holder's Signature: _______________________________

Holder's Address: _______________________________

NOTE: The signature to this Assignment Form must correspond with the name as it appears on the face of the Warrant, without alteration or enlargement or any change whatever. Officers of corporations and those acting in a fiduciary or other representative capacity should file proper evidence of authority to assign the foregoing Warrant.

Exhibit 10.1

JOINDER AND SECOND AMENDMENT TO CREDIT AND SECURITY AGREEMENT AND OTHER LOAN DOCUMENTS AND CONSENT

THIS JOINDER AND SECOND AMENDMENT TO CREDIT AND SECURITY AGREEMENT AND OTHER LOAN DOCUMENTS AND CONSENT (this "Amendment"), dated as of March 27, 2015, is entered into by and among **NOVATEL WIRELESS, INC.**, a Delaware corporation ("Novatel"), **ENFORA, INC.**, a Delaware corporation ("Enfora"; Novatel and Enfora are sometimes referred to in this Agreement individually as a "Borrower" and collectively as the "Borrowers"), **FEENEY WIRELESS, LLC**, an Oregon limited liability company ("Feeney Wireless"), **R.E.R. ENTERPRISES, INC.**, an Oregon corporation ("RER Enterprises"), **FEENEY WIRELESS IC-DISC, INC.**, a Delaware corporation ("Feeney Wireless IC-DISC"; Feeney Wireless, RER Enterprises and Feeney Wireless IC-DISC are sometimes referred to in this Amendment individually as a "New Loan Party" and collectively as the "New Loan Parties"), and **WELLS FARGO BANK, NATIONAL ASSOCIATION** (the "Lender"). Terms used herein without definition shall have the meanings ascribed to them in the Credit Agreement defined below.

RECITALS

A. The Lender and Borrowers have previously entered into that certain Credit and Security Agreement dated as of October 31, 2014 (as amended, modified and supplemented from time to time, the "Credit Agreement"), pursuant to which the Lender has made certain loans and financial accommodations available to Borrowers.

B. Novatel, Duck Acquisition, Inc., an Oregon corporation and subsidiary of Novatel formed to effectuate the Merger (defined below) ("Merger Sub"), and RER Enterprises intend to effect a merger of Merger Sub with and into RER Enterprises, pursuant to which Merger Sub will cease to exist, and RER Enterprises will become a wholly owned subsidiary of Novatel (the "Merger"), pursuant to that certain Agreement and Plan of Merger, dated as of March 27, 2015, by and among Novatel, Merger Sub, RER Enterprises, the stockholders of RER Enterprises party thereto, and Ethan Ralston, as the shareholder representative (the "Merger Agreement"), and all other documents related thereto and executed in connection therewith (collectively, the "Feeney Merger Documents").

C. The Lender and Borrowers now wish for the Lender to (i) consent to the Merger, (ii) add each of RER Enterprises and Feeney Wireless IC-DISC as a "Guarantor" and a "Loan Party" under, and as a party to, the Credit Agreement and the other Loan Documents, (iii) add Feeney Wireless as a "Borrower" and a "Loan Party under, and as a party to, the Credit Agreement and the other Loan Documents, and (iv) amend the Credit Agreement on the terms and conditions set forth herein.

D. Borrowers are entering into this Amendment with the understanding and agreement that, except as specifically provided herein, none of the Lender's rights or remedies as set forth in the Credit Agreement or any other Loan Document is being waived or modified by the terms of this Amendment.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants herein contained, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

1. Addition and Joinder of RER Enterprises and Feeney Wireless IC-DISC.

1.1 Borrowers and Lender agree that each of RER Enterprises and Feeney Wireless IC-DISC shall be deemed to be a "Guarantor" and a "Loan Party" under the Credit Agreement and the other Loan Documents.

1.2 Upon the date and effectiveness of this Amendment, each of RER Enterprises and Feeney Wireless IC-DISC agrees (i) that it shall be deemed to be a party to the Credit Agreement as a "Guarantor" and a "Loan Party" thereunder, (ii) subject to Exhibit E attached to this Amendment, that it shall be deemed to have made all of the representations and warranties of a "Guarantor" and a "Loan Party" under the Credit Agreement and to have agreed to be bound, jointly and severally with all other "Guarantors" and "Loan Parties" by all of the conditions, obligations, appointments, covenants, representations, warranties and other agreements of a "Guarantor" and "Loan Party" under and as set forth in the Credit Agreement and this Amendment, and (iii) to promptly execute all further documentation, amendments, supplements, schedules, agreements and/or financing statements reasonably required by Lender consistent with and in furtherance of the Credit Agreement, the other Loan Documents and this Amendment. Without limiting the generality of the foregoing, each of RER Enterprises and Feeney Wireless IC-DISC hereby unconditionally grants, assigns, and pledges to Lender for the benefit of Lender and each Bank Product Provider, to secure payment and performance of the Obligations, a continuing security interest in and Lien on all of RER Enterprises' and Feeney Wireless IC-DISC's right, title, and interest, respectively, in and to the Collateral, as security for the payment and performance of all Obligations.

2. Addition and Joinder of Feeney Wireless.

2.1 Borrowers and Lender agree that Feeney Wireless shall be deemed to be a "Borrower" and a "Loan Party" under the Credit Agreement and the other Loan Documents.

2.2 Upon the date and effectiveness of this Amendment, Feeney Wireless agrees (i) that it shall be deemed to be a party to the Credit Agreement as a "Borrower" and a "Loan Party" thereunder, (ii) subject to Exhibit E attached to this Amendment, that it shall be deemed to have made all of the representations and warranties of a "Borrower" and a "Loan Party" under the Credit Agreement and to have agreed to be bound, jointly and severally with all other "Borrowers" and "Loan Parties" by all of the conditions, obligations, appointments, covenants, representations, warranties and other agreements of a "Borrower" and "Loan Party" under and as set forth in the Credit Agreement and this Amendment, and (iii) to promptly execute all further documentation, amendments, supplements, schedules, agreements and/or financing statements reasonably required by Lender consistent with and in furtherance of the Credit Agreement, the other Loan Documents and this Amendment. Without limiting the generality of the foregoing,

Feeney Wireless hereby unconditionally grants, assigns, and pledges to Lender for the benefit of Lender and each Bank Product Provider, to secure payment and performance of the Obligations, a continuing security interest in and Lien on all of Feeney Wireless's right, title, and interest in and to the Collateral, as security for the payment and performance of all Obligations.

3. Amendments to Credit Agreement.

3.1 The first sentence of Section 2.4(b) of the Credit Agreement is hereby amended to read in its entirety as follows:

"Other than during any period described in the next sentence, Borrowers shall deposit all payments from Account Debtors, insurance proceeds, and any other collections into the Collection Account, and, so long as no Event of Default is existing, such funds shall be transferred from the Collection Account to, and be maintained in, any other Deposit Accounts maintained with Lender or that are subject to Control Agreements as directed by Borrowers from time to time; provided that during the Cash Management Transition Period, Novatel Wireless, Inc. and Enfora, Inc. may deposit such payments, insurance proceeds, and other collections in the accounts maintained by such Borrowers with Bank of America, and R.E.R. Enterprises, Inc., Feeney Wireless, LLC and Feeney Wireless IC-DISC, Inc. may deposit such payments, insurance proceeds, and other collections in the accounts maintained by such Loan Party with U.S. Bank National Association, in each case so long as Loan Parties continue to comply with the terms set forth in Section 6.12(j)."

3.2 Section 6.11(a) of the Credit Agreement is hereby amended by deleting the word "or" at the end of clause (v) thereof, renumbering clause (vi) thereof as clause (vii), and adding a new clause (vi) to read in its entirety as follows:

"(vi) of a potential change in ownership of the property located at 1505, 1509 or 1515 Westec Drive, Eugene, OR;"

3.3 Clauses (i) and (iii) of Section 6.12(j) of the Credit Agreement is hereby amended to read in its entirety as follows:

"(i) As of the Second Amendment Date, each of Novatel Wireless, Inc. and Enfora, Inc. shall have established and shall maintain at Lender all Cash Management Services, including all deposit accounts (other than, during the Cash Management Transition Period, the Deposit Accounts and Securities Account maintained at Bank of America as set forth on Schedule 5.15 of the Information Certificate). Within 60 days (or such longer period permitted by Lender in Lender's sole discretion) following the Second Amendment Date (the "Cash Management Transition Period"), each Loan Party shall establish and maintain at Lender all Cash Management Services, including all deposit accounts; provided that any Loan Party may continue to maintain deposit accounts at other banks for purposes of holding foreign currency deposits so long as the aggregate Dollar Equivalent of funds in such other accounts shall not exceed $2,000,000 at any

time. Such Cash Management Services maintained by each Loan Party shall be of a type and on terms reasonably satisfactory to Lender;"

"(iii) During the Cash Management Transition Period, Loan Parties shall arrange for all cash held in any of the Loan Parties' accounts maintained at Bank of America and U.S. Bank National Association, other than the Excluded Funds (defined below), to be transferred to the Collection Account no less frequently than 3 times each calendar week. "Excluded Funds" means the following funds held or maintained by Loan Parties in their Bank of America or U.S. Bank National Association accounts: (A) any funds held in an operating account to cover any checks drawn on such account for the purpose of payment of Loan Parties' costs and expenses; (B) any funds held in a payroll or similar account to the extent necessary to cover payroll or similar liabilities of the Loan Parties; and (C) any funds held in a foreign currency account for purposes of covering expenses owing to foreign Persons by Loan Parties, provided that the aggregate Dollar Equivalent of funds under this clause (C) shall not exceed $2,000,000 at any time."

3.4 Clause (iv) of Section 7.11(b) of the Credit Agreement is hereby amended to read in its entirety as follows:

"(iv) funds maintained in deposit accounts with Bank of America and U.S. Bank National Association during the Cash Management Transition Period (but subject to the other terms and conditions of this Agreement),"

3.5 The following new defined terms are hereby added to Schedule 1.1 to the Credit Agreement in the appropriate alphabetical position:

""Feeney Merger Documents" means that certain Agreement and Plan of Merger, dated as of March 27, 2015, by and among Novatel Wireless, Inc., Duck Acquisition, Inc., R.E.R. Enterprises, Inc., the stockholders of R.E.R. Enterprises, Inc. party thereto, and Ethan Ralston, as the shareholder representative, and all other documents related thereto and executed in connection therewith."

""Second Amendment Date" means March 27, 2015."

""Specified Liens" means the Liens set forth on Schedule P-3; provided that any such Lien shall no longer be a Specified Lien if such Lien has been terminated and released and Lender has received evidence thereof, in form and substance reasonably satisfactory to Lender."

3.6 The definition of "EBITDA" set forth in Schedule 1.1 to the Credit Agreement is hereby amended by deleting the word "and" at the end of clause (c)(xiv) thereof, adding the word "and" at the end of clause (c)(xv) thereof, and adding a new clause (c)(xvi) to read in its entirety as follows:

"(xvi) documented transaction bonuses paid in connection with the Merger within 30 days of the Second Amendment Date in an aggregate amount not to exceed $550,000;"

3.7 The definition of "Eligible Accounts" set forth in Schedule 1.1 to the Credit Agreement is hereby amended as follows:

(a) Clause (h) thereof is amended by adding the following after the first reference to "Accounts" set forth therein:

"(other than Accounts owing to Feeney Wireless, LLC up to a maximum amount of $250,000 at any time)"

(b) The word "and" at the end of clause (x) thereof is deleted, clause (y) thereof is renumbered as clause (z), and a new clause (y) is added to read in its entirety as follows:

"(y) Accounts owing to or originated by Feeney Wireless, LLC, until (i) the completion of an examination of such Accounts, in each case, reasonably satisfactory to Lender, (ii) such time as Lender confirms by receipt of a satisfactory search to reflect its UCC-1 filing that it has obtained a first priority perfected security interest in the personal property assets of Feeney Wireless, LLC (subject to Permitted Liens), and (iii) so long as any Specified Liens exist, (x) Lender has established and at all times maintains a Reserve in respect of amounts owing by any Borrower with respect to Indebtedness secured by Specified Liens (as determined by Lender in its sole discretion), or (y) the Indebtedness secured by Specified Liens is subordinated to the Obligations on terms and conditions acceptable to Lender; and"

3.8 Clause (k) of the definition of "Permitted Indebtedness" set forth in Schedule 1.1 to the Credit Agreement is hereby amended to read in its entirety as follows:

"(k) unsecured Indebtedness (including, but not limited to, earnouts) of any Borrower that is incurred on the date of the consummation of a Permitted Acquisition solely for the purpose of consummating such Permitted Acquisition so long as (i) no Event of Default has occurred and is continuing or would result therefrom, (ii) such unsecured Indebtedness is not incurred for working capital purposes, (iii) such unsecured Indebtedness (other than earnouts) does not mature prior to the date that is 6 months after the Maturity Date, and (iv) such Indebtedness (other than earnouts under the Feeney Merger Documents) is subordinated in right of payment to the Obligations on terms and conditions satisfactory to Lender; provided, however, that if any payment on the earnouts under the Feeney Merger Documents are to be paid in cash, Borrowers shall have Excess Availability in an amount equal to or greater than $10,000,000 on a pro-forma basis for the 60 day period immediately preceding the date of the payment of any earnout under the Feeney Merger Documents and immediately after giving effect to any such payment;"

3.9 The definition of "Permitted Liens" set forth in Schedule 1.1 to the Credit Agreement is hereby amended by deleting the word "and" at the end of clause (r) thereof, renumbering clause (s) thereof as clause (t), and adding a new clause (s) to read in its entirety as follows:

"(s) the Specified Liens; provided, that after the date that is 90 days after the Second Amendment Date (as such period may be extended by Lender in its sole discretion), the Specified Liens shall no longer constitute Permitted Liens unless (x) Lender has established and at all times maintains a Reserve in respect of amounts owing by any Borrower with respect to Indebtedness secured by Specified Liens (as determined by Lender in its sole discretion), (y) the Indebtedness secured by Specified Liens is subordinated to the Obligations on terms and conditions acceptable to Lender, or (z) the Lender has determined in its sole discretion that such Specified Lien may remain a Permitted Lien; and"

3.10 Clause (a) of the fourth box of Schedule 2.12 of the Credit Agreement is hereby amended in its entirety as follows:

"(a) Collateral Exam Fees, Costs and Expenses. Lender's fees, costs and expenses in connection with any collateral exams or inspections conducted by or on behalf of Lender at the current rates established from time to time by Lender as its fee for collateral exams or inspections (which fees are currently $1,080 per day per collateral examiner), together with all actual out-of-pocket costs and expenses incurred in conducting any collateral exam or inspection; provided, however, (i) so long as no Default or Event of Default shall have occurred and be continuing and Borrowers' Liquidity is greater than $15,000,000 at all times, Borrowers shall be obligated to reimburse Lender for fees, costs and expenses related for not more than two (2) such collateral exams and inspections in any twelve-month period, and (ii) if Borrowers' Liquidity is $15,000,000 or less at any time, but so long as no Default or Event of Default shall have occurred and be continuing, Borrowers shall be obligated to reimburse Lender for fees, costs and expenses related for not more than four (4) such collateral exams and inspections in any twelve-month period. Furthermore, so long as no Default or Event of Default shall have occurred and be continuing, Borrowers shall not be obligated to reimburse Lender for fees, costs and expenses that exceed in the aggregate $10,000 for any single collateral exam (but such cap shall not apply to collateral exams conducted prior to the Closing Date or in connection with the Merger). In addition (and not subject to the foregoing 2 or 4 collateral exam and inspection limit), Borrowers shall be obligated to reimburse Lender for all fees, costs and expenses related to any collateral exams or inspections obtained prior to the Closing Date or in connection with the Merger. Applicable fees related to electronic collateral reporting will also be charged."

3.11 Exhibit A to the Credit Agreement is hereby replaced in its entirety with Exhibit A attached to this Amendment.

3.12 Exhibit D to the Credit Agreement is hereby amended as follows:

(a) All references to “the Closing Date” set forth therein shall be replaced with “the Second Amendment Date”.

(b) The following new Section 5.32 is hereby added to the end of Exhibit D:

“5.32 **Feeney Merger Documents**. As of the Second Amendment Date, Borrowers have delivered to Lender a complete and correct copy of the Feeney Merger Documents, including all schedules and exhibits thereto. The execution, delivery and performance of each of the Feeney Merger Documents has been duly authorized by all necessary action on the part of Duck Acquisition, Inc. and Novatel Wireless, Inc.. Each Feeney Merger Document is the legal, valid and binding obligation of Duck Acquisition, Inc. and Novatel Wireless, Inc., enforceable against Duck Acquisition, Inc. and Novatel Wireless, Inc. in accordance with its terms, in each case except (i) as may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws relating to or affecting generally the enforcement of creditors' rights and (ii) the availability of the remedy of specific performance or injunctive or other equitable relief is subject to the discretion of the court before which any proceeding therefor may be brought. Duck Acquisition, Inc. and Novatel Wireless, Inc. are not in default in the performance or compliance with any material provisions thereof. As of the Second Amendment Date, all representations and warranties made by Duck Acquisition, Inc. and Novatel Wireless, Inc. in the Feeney Merger Documents and in the certificates delivered in connection therewith were true and correct in all material respects. To Borrowers’ knowledge, none of the representations or warranties of any other Person in the Feeney Merger Documents contain any untrue statement of a material fact or omit any fact necessary to make the statements therein not misleading, in any case that could reasonably be expected to result in a Material Adverse Change. On the Second Amendment Date, the transactions contemplated by the Feeney Merger Documents have been or will be consummated in all material respects, in accordance with all applicable laws. As of the Second Amendment Date, all requisite approvals by Governmental Authorities having jurisdiction over Duck Acquisition, Inc. and Novatel Wireless, Inc. and, to each Borrower’s knowledge, each other Person party to the Feeney Merger Documents, with respect to such transactions, have been obtained (including filings or approvals required under the Hart-Scott-Rodino Antitrust Improvements Act, if applicable), except for any approval the failure to obtain would not reasonably be expected to result in a Material Adverse Change.”

3.13 Exhibit E to the Credit Agreement is hereby replaced in its entirety with Exhibit E attached to this Amendment.

3.14 A new Schedule P-3 is hereby added to the Credit Agreement as set forth in its entirety on Schedule P-3 to this Amendment.

4. Consents. Upon satisfaction of the conditions precedent set forth in Section 6 of this Amendment (other than the filing of the Merger in the State of Oregon) and notwithstanding any restrictions in the Credit Agreement, Lender hereby consents to the following:

4.1 The Merger, which shall be deemed to constitute a “Permitted Acquisition” under the Credit Agreement; and

4.2 The cancellation prior to the date hereof of a portion of the equity of Novatel Wireless Technologies, Ltd. owned by Novatel.

5. Amendment Fee. Intentionally Omitted.

6. Effectiveness of this Amendment. This Amendment (other than the consents set forth in Section 4 above which shall be effective on the date hereof) shall be effective upon Lender’s receipt of the following items, in form and content acceptable to the Lender:

6.1 This Amendment, duly executed in a sufficient number of counterparts for distribution to all parties;

6.2 The Continuing Guaranty duly executed by RER Enterprises and Feeney Wireless IC-DISC;

6.3 A Pledged Interests Addendum duly executed by each of Novatel, RER Enterprises and Feeney Wireless;

6.4 A Patent and Trademark Security Agreement duly executed by Feeney Wireless and a Patent and Trademark Security Agreement duly executed by Novatel;

6.5 Collateral Access Agreements for each of the following locations: 1505 and 1509 Westec Drive, Eugene, OR and 1515 Westec Drive, Eugene, OR;

6.6 Certificates of insurance relating to the New Loan Parties;

6.7 Current searches of the New Loan Parties showing that no Liens have been filed and remain in effect against such Person other than Permitted Liens;

6.8 A perfected first priority security interest in the assets of each New Loan Party (subject to Permitted Liens);

6.9 Such forms and verifications as Lender may need to comply with the U.S.A. Patriot Act and any other regulatory or internal policies applicable to or mandated by Lender;

6.10 An opinion of counsel to the New Loan Parties;

6.11 The Merger shall have been consummated in accordance with the terms of the Feeney Merger Documents, the forms of which shall have been approved by Lender, and no terms or conditions of the Feeney Merger Documents (other than any immaterial terms or conditions) shall have been waived without the consent of Lender;

6.12 A certificate from the Secretary of each Borrower and each New Loan Party (i) attesting to the Governing Documents of such Borrower and such New Loan Party, as applicable,

(ii) attesting to the resolutions of the Board of such Borrower and such New Loan Party, as applicable, authorizing its execution, delivery, and performance of this Amendment and the other Loan Documents to which such Borrower or such New Loan Party, as applicable, is a party, (iii) authorizing specific officers of such Borrower or such New Loan Party, as applicable, to execute the same, and (iv) attesting to the incumbency and signatures of such specific officers of such Borrower or such New Loan Party, as applicable;

6.13 Certificates of status with respect to each New Loan Party issued by (i) the appropriate officer of the jurisdiction of organization of such Person and (ii) the appropriate officer of the jurisdictions (other than the jurisdiction of organization of such New Loan Party) in which the failure to be duly qualified or licensed would constitute a Material Adverse Change, which certificates shall indicate that such Person is in good standing in such jurisdiction;

6.14 The representations and warranties set forth in this Amendment must be true and correct in all material respects (except that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof); and

6.15 All other documents and legal matters in connection with the transactions contemplated by this Amendment shall have been delivered or executed or recorded, as reasonably required by the Lender.

7. Post-Amendment Covenants. The obligations of Lender to continue to make Advances (or otherwise extend credit hereunder) is subject to the satisfaction of the following covenants, and the failure by Borrowers to so perform or cause to be performed the following as and when required, unless extended or otherwise waived in writing by Lender (in Lender's sole discretion), shall constitute an Event of Default:

7.1 Within 10 Business Days after the date of this Amendment, Borrowers shall deliver to Lender stock certificates and stock powers, in form and substance reasonalby satisfactory to Lender, with respect to each of RER Enterprises, Feeney Wireless IC-DISC and Novatel Wireless Technologies, Ltd.;

7.2 Within 60 days after the date of this Amendment, Borrowers shall have closed all Deposit Accounts maintained with U.S. Bank National Association; and

7.3 Within 60 days after the date of this Amendment, Borrowers shall have closed the following Deposit Accounts and Securities Account maintained with Bank of America: Account Nos. xxxx, xxxx and xxxx.

8. Representations and Warranties. Each Borrower and each New Loan Party represent and warrant as follows:

8.1 Authority. Each Borrower and each New Loan Party has the requisite corporate or limited liability company, as applicable, power and authority to execute and deliver this Amendment, and to perform its obligations hereunder and under the Loan Documents (as

amended or modified hereby) to which it is a party. The execution, delivery and performance by Borrowers and the New Loan Parties of this Amendment have been duly approved by all necessary corporate or limited liability company, as applicable, action and no other corporate or limited liability company, as applicable, proceedings are necessary to consummate such transactions.

8.2 Enforceability. This Amendment has been duly executed and delivered by Borrowers and the New Loan Parties. This Amendment and each Loan Document (as amended or modified hereby) is the legal, valid and binding obligation of each Borrower and each New Loan Party, enforceable against each Borrower and New Loan Party in accordance with its terms, except as enforcement may be limited by equitable principles or by bankruptcy, insolvency, reorganization, moratorium, or similar laws relating to or limiting creditors' rights generally, and is in full force and effect.

8.3 Representations and Warranties. Subject to the effectiveness of this Amendment and Exhibit E attached hereto, the representations and warranties contained in each Loan Document (other than any such representations or warranties that, by their terms, are specifically made as of a date other than the date hereof) are true and correct in all material respects on and as of the date hereof as though made on and as of the date hereof.

8.4 Due Execution. The execution, delivery and performance of this Amendment are within the corporate or limited liability company, as applicable, power of each Borrower and each New Loan Party, have been duly authorized by all necessary action, have received all necessary governmental approval, if any, and do not contravene any law or any contractual restrictions binding on any Borrower or any New Loan Party except to the extent that any such contravention could not individually or in the aggregate reasonably be expected to cause a Material Adverse Change.

8.5 No Default. Upon the effectiveness of this Amendment and the consents set forth in Section 4, no event has occurred and is continuing that constitutes a Default or an Event of Default.

9. No Waiver. Except as otherwise expressly provided herein, the execution of this Amendment and the acceptance of all other agreements and instruments related hereto shall not be deemed to be a waiver of any Default or Event of Default under the Credit Agreement or a waiver of any breach, default or event of default under any other Loan Document or other document held by Lender, whether or not known to Lender and whether or not existing on the date of this Amendment.

10. Release. Each of the Borrowers and New Loan Parties hereby absolutely and unconditionally releases and forever discharges Lender, and any and all participants, parent corporations, subsidiary corporations, affiliated corporations, insurers, indemnitors, successors and assigns thereof, together with all of the present and former directors, officers, agents and employees of any of the foregoing, from any and all claims, demands or causes of action of any kind, nature or description, whether arising in law or equity or upon contract or tort or under any state or federal law or otherwise, which Borrowers or New Loan Parties have had, now have or

have made claim to have against any such person for or by reason of any act, omission, matter, cause or thing whatsoever arising from the beginning of time to and including the date of this Amendment, whether such claims, demands and causes of action are matured or unmatured or known or unknown. It is the intention of the Borrowers and New Loan Parties in executing this release that the same shall be effective as a bar to each and every claim, demand and cause of action specified and in furtherance of this intention Borrowers and New Loan Parties each waives and relinquishes all rights and benefits under Section 1542 of the Civil Code of the State of California, which provides:

> "A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MIGHT HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR."

The parties acknowledge that each may hereafter discover facts different from or in addition to those now known or believed to be true with respect to such claims, demands, or causes of action and agree that this instrument shall be and remain effective in all respects notwithstanding any such differences or additional facts.

11. Costs and Expenses. Borrowers hereby reaffirm their agreement under the Credit Agreement to pay or reimburse Lender on demand for all Lender Expenses incurred by Lender in connection with the Loan Documents. Without limiting the generality of the foregoing, Borrowers specifically agree to pay all reasonable and documented (to the extent such documentation is reasonably requested by Borrowers) out-of-pocket fees and disbursements of counsel to Lender for the services performed by such counsel in connection with the preparation of this Amendment and the documents and instruments incidental hereto. Borrowers hereby agree that Lender may, at any time or from time to time in its sole discretion and without further authorization by Borrowers, make an Advance to the Borrowers under the Credit Agreement, or apply the proceeds of any Advance, for the purpose of paying any such fees, disbursements, costs and expenses.

12. Choice of Law; Venue; Jury Trial Waiver; Arbitration. The validity of this Amendment, its construction, interpretation and enforcement, and the rights of the parties hereunder shall be determined under, governed by, and construed in accordance with the internal laws of the State of California governing contracts only to be performed in that State. All of the terms of Section 13 of the Credit Agreement are hereby incorporated by reference into this Amendment, *mutatis mutandis*.

13. Counterparts. This Amendment may be executed in any number of counterparts and by different parties and separate counterparts, each of which when so executed and delivered, shall be deemed an original, and all of which, when taken together, shall constitute one and the same instrument. Delivery of an executed counterpart of a signature page to this Amendment by telefacsimile or "pdf" file or other similar method of electronic transmission shall be effective as delivery of a manually executed counterpart of this Amendment.

14. Reference to and Effect on the Loan Documents.

14.1 Upon and after the effectiveness of this Amendment, each reference in the Credit Agreement to “this Agreement”, “hereunder”, “hereof” or words of like import referring to the Credit Agreement, and each reference in the other Loan Documents to “the Credit Agreement”, “thereof” or words of like import referring to the Credit Agreement, shall mean and be a reference to the Credit Agreement as modified and amended hereby.

14.2 Except as specifically amended by this Amendment, the Credit Agreement and all other Loan Documents, are and shall continue to be in full force and effect and are hereby in all respects ratified and confirmed and shall constitute the legal, valid, binding and enforceable obligations of the Borrowers and New Loan Parties to the Lender and Bank Product Providers, except as enforcement may be limited by equitable principles or by bankruptcy, insolvency, reorganization, moratorium, or similar laws relating to or limiting creditors’ rights generally.

14.3 The execution, delivery and effectiveness of this Amendment shall not, except as expressly provided herein, operate as a waiver of any right, power or remedy of the Lender under any of the Loan Documents, nor constitute a waiver of any provision of any of the Loan Documents.

14.4 To the extent that any terms and conditions in any of the Loan Documents shall contradict or be in conflict with any terms or conditions of the Credit Agreement, after giving effect to this Amendment, such terms and conditions are hereby deemed modified or amended accordingly to reflect the terms and conditions of the Credit Agreement as modified or amended hereby.

14.5 This Amendment shall be deemed to be a “Loan Document” (as defined in the Credit Agreement).

15. Ratification. Borrowers and the New Loan Parties hereby restate, ratify and reaffirm each and every term and condition set forth in the Credit Agreement and the other Loan Documents, in each case as amended by this Amendment, effective as of the date hereof.

16. Estoppel. To induce the Lender to enter into this Amendment and to continue to make Advances or issue Letters of Credit to or for the account of the Borrowers under the Credit Agreement, Borrowers hereby acknowledge and agree that, as of the date hereof, there exists no right of offset, defense, counterclaim or objection in favor of Borrowers as against the Lender or any Bank Product Provider with respect to the Obligations.

17. Integration; Conflict; Successors and Assigns; Amendment. This Amendment, together with the other Loan Documents, incorporates all negotiations of the parties hereto with respect to the subject matter hereof and is the final expression and agreement of the parties hereto with respect to the subject matter hereof. In the event of any conflict between this Amendment and the Credit Agreement, the terms of this Amendment shall govern. This Amendment shall bind and inure to the benefit of the respective successors and assigns of each of the parties, subject to the provisions of the Credit Agreement and the other Loan Documents. No amendment or

modification of this Amendment shall be effective unless it has been agreed to by Lender in a writing that specifically states that it is intended to amend or modify this Amendment.

18. Severability. In case any provision in this Amendment shall be invalid, illegal or unenforceable, such provision shall be severable from the remainder of this Amendment and the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

[signature pages follow]

IN WITNESS WHEREOF, the parties have entered into this Amendment as of the date first above written.

BORROWERS:

NOVATEL WIRELESS, INC.

By: /s/ Michael A. Newman
Name: Michael A. Newman
Title: Chief Financial Officer

ENFORA, INC.

By: /s/ Michael A. Newman
Name: Michael A. Newman
Title: Chief Financial Officer

NEW LOAN PARTIES:

FEENEY WIRELESS, LLC

By: /s/ Michael A. Newman
Name: Michael A. Newman
Title: Secretary

R.E.R. ENTERPRISES, INC.

By: /s/ Michael A. Newman
Name: Michael A. Newman
Title: Secretary

FEENEY WIRELESS IC-DISC, INC.

By: /s/ Michael A. Newman
Name: Michael A. Newman
Title: Secretary

LENDER:

WELLS FARGO BANK,
NATIONAL ASSOCIATION

By: /s/ Robin Van Meter
Name: Robin Van Meter
Title: Authorized Signator

Exhibit 10.2

NOVATEL WIRELESS, INC.

2009 Omnibus Incentive Compensation Plan

1. **Purpose** . The purpose of the Novatel Wireless, Inc. 2009 Omnibus Incentive Compensation Plan is to promote the long-term success of the Company and the creation of stockholder value by offering directors, officers, employees and consultants of the Company an opportunity to acquire a proprietary interest in the success of the Company, or to increase such interest, and to encourage such selected persons to continue to provide services to the Company and to attract new individuals with outstanding qualifications.

2. **Definitions** . As used in the Plan,

(a) "Affiliate" means any entity other than a Subsidiary, if the Company and/or one or more Subsidiaries owns not less than 50 percent of such entity.

(b) "Aggregate Share Limit" means the aggregate maximum number of shares available under the Plan pursuant to Section 3(a)(i) of the Plan.

(c) "Annual Incentive Award" means a cash award granted pursuant to Section 8 of the Plan, where such award is based on Management Objectives and a Performance Period of one year or less.

(d) "Appreciation Right" means a right granted pursuant to Section 5 of the Plan.

(e) "Award" means any Annual Incentive Award, Option Right, Restricted Stock, Restricted Stock Unit, Appreciation Right, Performance Share, Performance Unit or Other Award granted pursuant to the terms of the Plan.

(f) "Base Price" means the price to be used as the basis for determining the Spread upon the exercise of an Appreciation Right.

(g) "Beneficial Owner" or "Beneficial Ownership" has the meaning ascribed to such term in Rule 13d-3 of the General Rules and Regulations under the Exchange Act.

(h) "Board" means the Board of Directors of NWI, as constituted from time to time.

(i) "Change in Control" means, except as may otherwise be provided in an Evidence of Award, the first to occur of the following events:

(i) any Person is or becomes the Beneficial Owner of 50 percent or more of the combined voting power of the then-outstanding Voting Stock of NWI; provided , however , that:

(1) the following acquisitions will not constitute a Change in Control: (A) any acquisition of Voting Stock of NWI directly from NWI that is approved by a majority of the Incumbent Directors, (B) any acquisition of Voting Stock of NWI by the Company, (C) any acquisition of Voting Stock of NWI by the trustee or other fiduciary holding securities under any employee benefit plan (or related trust) sponsored or maintained by the Company, and (D) any acquisition of Voting Stock of NWI by any Person pursuant to a Business Transaction that complies with clauses (A), (B) and (C) of Section 2(i)(iii) below;

(2) if any Person is or becomes the Beneficial Owner of 50 percent or more of the combined voting power of the then-outstanding Voting Stock of NWI as a result of a transaction described in clause (A) of Section 2(i)(i)(1) above and such Person thereafter becomes the Beneficial Owner of any additional shares of Voting Stock of NWI representing one percent or more of the then-outstanding Voting Stock of NWI, other than in an acquisition directly from NWI that is approved by a majority of the Incumbent Directors or other than as a result of a stock dividend, stock split or similar transaction effected by NWI in which all holders of Voting Stock are treated equally, such subsequent acquisition will be treated as a Change in Control;

(3) a Change in Control will not be deemed to have occurred if a Person is or becomes the Beneficial Owner of 50 percent or more of the Voting Stock of NWI as a result of a reduction in the number of shares of Voting Stock of NWI outstanding pursuant to a transaction or series of transactions that is approved by a majority of the Incumbent Directors unless and until such Person thereafter becomes the Beneficial Owner of any additional shares of Voting Stock of NWI representing one percent or more of the then-outstanding Voting Stock of NWI, other than as a result of a stock dividend, stock split or similar transaction effected by NWI in which all holders of Voting Stock are treated equally; and

(4) if at least a majority of the Incumbent Directors determine in good faith that a Person has acquired Beneficial Ownership of 50 percent or more of the Voting Stock of NWI inadvertently, and such Person divests as promptly as practicable but no later than the date, if any, set by the Incumbent Board a sufficient number of shares so that such Person has Beneficial Ownership of less than 50 percent of the Voting Stock of NWI, then no Change in Control will have occurred as a result of such Person's acquisition; or

(ii) a majority of the Board ceases to be comprised of Incumbent Directors; or

(iii) the consummation of a reorganization, merger or consolidation, or sale or other disposition of all or substantially all of the assets of NWI or the acquisition of the stock or assets of another corporation, or other transaction (each, a "Business Transaction"), unless, in each case, immediately following such Business Transaction (A) the Voting Stock of NWI outstanding immediately prior to such Business Transaction continues to represent (either by remaining outstanding or by being converted into Voting Stock of the surviving entity or any parent thereof), more than 50 percent of the combined voting power of the then outstanding shares of Voting Stock of the entity resulting from such Business Transaction (including, without limitation, an entity which as a result of such transaction owns NWI or all or substantially all of NWI's assets either directly or through one or more subsidiaries) in substantially the same proportions relative to each other as their ownership, immediately prior to such Business Transaction, of the Voting Stock of NWI, (B) no Person (other than NWI, such entity resulting from such Business Transaction, or any employee benefit plan (or related trust) sponsored or maintained by the Company or such entity resulting from such Business Transaction) has Beneficial Ownership, directly or indirectly, of 50 percent or more of the combined voting power of the then outstanding shares of Voting Stock of the entity resulting from such Business Transaction, and (C) at least a majority of the members of the Board of Directors of the entity resulting from such Business Transaction were Incumbent Directors at the time of the execution of the initial agreement or of the action of the Board providing for such Business Transaction; or

(iv) approval by the stockholders of NWI of a complete liquidation or dissolution of NWI, except pursuant to a Business Transaction that complies with clauses (A), (B) and (C) of Section 2(i)(iii).

(j) "Code" means the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder, as such law and regulations may be amended from time to time.

(k) "Committee" means a committee consisting of one or more members of the Board that is appointed by the Board (as described in Section 12) to administer the Plan.

(l) "Company" means, collectively, NWI and its Subsidiaries.

(m) "Covered Employee" means a Participant who is, or is determined by the Board to be likely to become, a "covered employee" within the meaning of Section 162(m) of the Code (or any successor provision).

(n) "Date of Grant" means the date specified by the Board on which a grant of an Award will become effective (which date with respect to an Option Right or an Appreciation Right will not be earlier than the date on which the Board takes action with respect thereto).

(o) "Director" means a member of the Board of Directors of NWI.

(p) "EBIT" means earnings before interest and taxes.

(q) "EBITDA" means earnings before interest, taxes, depreciation and amortization.

(r) "EBT" means earnings before taxes.

(s) "Effective Date" means the date that the Plan is approved by the stockholders of NWI.

(t) "Evidence of Award" means an agreement, certificate, resolution, notification or other type or form of writing or other evidence approved by the Board that sets forth the terms and conditions of the Awards granted. An Evidence of Award may be in an electronic medium, may be limited to notation on the books and records of NWI and, unless otherwise determined by the Board, need not be signed by a representative of NWI or a Participant.

(u) "Exchange Act" means the Securities Exchange Act of 1934, as amended, and the rules and regulations thereunder, as such law, rules and regulations may be amended from time to time.

(v) "Existing Plan" means the Amended and Restated Novatel Wireless, Inc. 2000 Stock Incentive Plan.

(w) "GAAP" means accounting principles generally accepted in the United States of America as in effect from time to time.

(x) "Incentive Stock Options" means Option Rights that are intended to qualify as "incentive stock options" under Section 422 of the Code or any successor provision.

(y) "Incumbent Directors" means the individuals who, as of the date hereof, are Directors of NWI and any individual becoming a Director subsequent to the date hereof whose election, nomination for election by NWI's stockholders, or appointment, was approved by a vote of at least two-thirds of the then Incumbent Directors (either by a specific vote or by approval of the proxy statement of NWI in which such person is named as a nominee for director, without objection to such nomination); provided , however , that an individual will not be an Incumbent Director if such individual's election or appointment to the Board occurs as a result of an actual or threatened election contest with respect to the election or removal of Directors or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board.

(z) "Management Objectives" means the performance objective or objectives established pursuant to the Plan for Participants who have received grants of Annual Incentive Awards, Performance Shares or Performance Units or, when so determined by the Board, Option Rights, Appreciation Rights, Restricted Stock, Restricted Stock Units, dividend equivalents or Other Awards pursuant to the Plan. Management Objectives may be described in terms of NWI-wide objectives or objectives that are related to the performance of the individual Participant or a Subsidiary, division, business unit, region or function within NWI or any Subsidiary. The Management Objectives may be made relative to the performance of other companies. The Management Objectives applicable to any Qualified Performance-Based Award to a Covered Employee will be based on specified levels of or changes in one or more of the following criteria:

(i) **Profits:** Operating income, EBIT, EBT, net income, cash net income, earnings per share, residual or economic earnings or economic profit;

(ii) **Cash Flow:** EBITDA, free cash flow, free cash flow with or without specific capital expenditure targets or ranges, including or excluding divestments and/or acquisitions, total cash flow, cash flow in excess of cost of capital, residual cash flow or cash flow return on investment;

(iii) **Returns:** Economic value added (EVA) or profits or cash flow returns on: sales, assets, invested capital, net capital employed or equity;

(iv) **Working Capital:** Working capital divided by sales, days' sales outstanding, days' sales inventory or days' sales in payables;

(v) **Profit Margins:** Profits divided by revenues or sales, gross margins divided by revenues or sales, or operating margin divided by revenues or sales;

(vi) **Liquidity Measures:** Debt-to-capital ratios, debt-to-EBITDA ratios or total debt;

(vii) **Sales Growth, Margin Growth, Unit Growth, Cost Initiative and Stock Price Metrics:** Revenues, revenue growth, sales, sales growth, gross margin, operating margin, shipment volume, unit growth, stock price appreciation, total return to stockholders, expense targets, productivity targets or ratios, sales and administrative expenses divided by sales, or sales and administrative expenses divided by profits; and

(viii) **Strategic Initiative Key Deliverable Metrics:** Consisting of one or more of the following: product development or launch, strategic partnering, research and development, regulatory compliance or submissions, vitality or sustainability index, market share or penetration, geographic business expansion goals, customer satisfaction, employee satisfaction, management of employment practices and employee benefits, supervision of litigation and information technology, or goals relating to acquisitions or divestitures of subsidiaries, affiliates or joint ventures.

At the Board's discretion, any Management Objective may be measured before special items, and may or may not be determined in accordance with GAAP. The Board shall have the authority to make equitable adjustments to the Management Objectives (and to the related minimum, target and maximum levels of achievement or performance) as follows: in recognition of unusual or non-recurring events affecting NWI or any Subsidiary or Affiliate or the financial statements of NWI or any Subsidiary or Affiliate; in response to changes in applicable laws or regulations; to account for items of gain, loss or expense determined to be extraordinary or unusual in nature or infrequent in occurrence or related to the disposal of a segment of a business or related to a change in accounting principles; or in recognition of any events or circumstances (including, without limitation, changes in the business, operations, corporate or capital structure of the Company or the manner in which it conducts its business) that render the Management Objectives unsuitable; provided , however , that no such adjustment shall be made to any Management Objective applicable to a Qualified Performance-Based Award to the extent such adjustment would cause such Award to fail to meet the requirements for "qualified performance-based compensation" under Section 162(m) of the Code, unless the Board determines that the satisfaction of such requirements is neither necessary or appropriate.

(aa) "Market Value per Share" means as of any particular date the closing sale price of a Share as reported on the Nasdaq Stock Market or, if not listed on such exchange, on any other national securities exchange on which the Shares are listed. If the Shares are not traded as of any given date, the Market Value per Share means the closing price for the Shares on the principal exchange on which the Shares are traded for the immediately preceding date on which the Shares were traded. If there is no regular public trading market for the Shares, the Market Value per Share of the Shares shall be the fair market value of the Shares as determined in good faith by the Board. The Board is authorized to adopt another fair market value pricing method, provided such method is in compliance with the fair market value pricing rules set forth in Section 409A of the Code.

(bb) "NWI" means Novatel Wireless, Inc., a Delaware corporation, and any successors thereto.

(cc) "Optionee" means the optionee named in an Evidence of Award evidencing an outstanding Option Right.

(dd) "Option Price" means the purchase price payable on exercise of an Option Right.

(ee) "Option Right" means the right to purchase Shares upon exercise of an option granted pursuant to Section 4 of the Plan.

(ff) "Other Award" means an Award granted pursuant to Section 9 of the Plan.

(gg) "Participant" means a person who is selected by the Board to receive Awards under the Plan and who is (i) an employee of the Company or any one or more of its Affiliates, (ii) a member of the Board, or (iii) an individual who performs bona fide services to the Company or any one or more of its Affiliates.

(hh) “Performance Period” means, in respect of an Award, a period of time within which the Management Objectives relating to such Award are to be achieved.

(ii) “Performance Share” means an Award under the Plan equivalent to the right to receive one Share awarded pursuant to Section 8 of the Plan.

(jj) “Performance Unit” means a unit awarded pursuant to Section 8 of the Plan that is equivalent to $1.00 or such other value as is determined by the Board.

(kk) “Person” shall have the meaning set forth in Section 3(a)(9) of the Exchange Act or any successor provision thereto, as modified and used in Sections 13(d) and 14(d) thereof and the rules thereunder.

(ll) “Plan” means this Novatel Wireless, Inc. 2009 Omnibus Incentive Compensation Plan.

(mm) “Qualified Performance-Based Award” means any Award or portion of an Award that is intended to satisfy the requirements for “qualified performance-based compensation” under Section 162(m) of the Code.

(nn) “Restricted Stock” means Shares granted pursuant to Section 6 of the Plan as to which neither the substantial risk of forfeiture nor the prohibition on transfers has expired.

(oo) “Restriction Period” means the period of time during which Restricted Stock or Restricted Stock Units may be subject to restrictions, as provided in Section 6 and Section 7 of the Plan.

(pp) “Restricted Stock Unit” means an Award made pursuant to Section 7 of the Plan.

(qq) “Secondary Committee” means one or more senior officers of NWI (who need not be members of the Board), acting as a committee established by the Board pursuant to Section 12(b) of the Plan, subject to such conditions and limitations as the Board shall prescribe.

(rr) “Shares” means the shares of common stock, par value $0.001 per share, of NWI or any security into which such Shares may be changed by reason of any transaction or event of the type referred to in Section 11 of the Plan.

(ss) “Spread” means the excess of the Market Value per Share on the date when an Appreciation Right is exercised, or on the date when Option Rights are surrendered in payment of the Option Price of other Option Rights, over the Option Price or Base Price provided for in the related Option Right or Appreciation Right, respectively.

(tt) “Subsidiary” means a corporation, company or other entity (i) more than 50 percent of whose outstanding shares or securities (representing the right to vote for the election of directors or other managing authority) are, or (ii) which does not have outstanding shares or securities (as may be the case in a partnership, joint venture or unincorporated association), but more than 50 percent of whose ownership interest representing the right generally to make decisions for such other entity is, now or hereafter, owned or controlled, directly or indirectly, by NWI; except that, for purposes of determining whether any person may be a Participant for purposes of any grant of Incentive Stock Options, “Subsidiary” means any corporation in which at the time NWI owns or controls, directly or indirectly, more than 50 percent of the total combined voting power represented by all classes of stock issued by such corporation.

(uu) “Voting Stock” means securities entitled to vote generally in the election of directors.

3. **Shares Available Under the Plan.**

(a) **Maximum Shares Available Under Plan.**

(i) Subject to adjustment as provided in Section 11 of the Plan, the maximum number of Shares that may be issued (A) upon the exercise of Option Rights or Appreciation Rights, (B) in payment or settlement of Restricted Stock and released from substantial risks of forfeiture thereof, (C) in payment or settlement of Restricted Stock Units, (D) in payment or settlement of Performance Shares or Performance Units that have been earned, (E) in payment or settlement of Other Awards, or (F) in payment of dividend equivalents paid with respect to Awards made under the Plan, in the aggregate will not exceed 10,000,000 Shares (the "Aggregate Share Limit"), plus an additional 323,000 Shares that may be issued for inducement grants pursuant to Nasdaq Listing Rule 5635 ("Inducement Shares"). Shares issued under any plan assumed by NWI in any corporate transaction will not count against the Aggregate Share Limit.

(ii) Shares covered by an Award granted under the Plan shall not be counted against the Aggregate Share Limit unless and until they are actually issued and delivered to a Participant and, therefore, the total number of Shares available under the Plan as of a given date shall not be reduced by any Shares relating to prior Awards that have expired or have been forfeited or cancelled, and to the extent of payment in cash of the benefit provided by any Award granted under the Plan, any Shares that were covered by that Award will be available for issue or transfer hereunder. If, under the Plan, a Participant has elected to give up the right to receive compensation in exchange for Shares based on fair market value, such Shares will not count against the Aggregate Share Limit. In addition, upon the full or partial payment of any Option Price by the transfer to the Company of Shares or upon satisfaction of tax withholding provisions in connection with any such exercise or any other payment made or benefit realized under this Plan by the transfer or relinquishment of Shares, there shall be deemed to have been issued under this Plan only the net number of Shares actually issued by the Company.

(iii) Subject to adjustment as provided in Section 11 of the Plan, the aggregate number of Shares actually issued by the Company upon the exercise of Incentive Stock Options will not exceed 7,000,000 Shares.

(b) **Individual Participant Limits** . Notwithstanding anything in this Section 3, or elsewhere in the Plan, to the contrary, and subject to adjustment as provided in Section 11 of the Plan:

(i) No Participant will be granted Option Rights or Appreciation Rights, in the aggregate, for more than 1,000,000 Shares during any calendar year;

(ii) No Participant will be awarded Qualified Performance Based-Awards of Restricted Stock, Restricted Stock Units, Performance Shares or Other Awards, in the aggregate, for more than 500,000 Shares during any calendar year;

(iii) In no event will any Participant in any calendar year receive a Qualified Performance-Based Award of Performance Units having an aggregate maximum value in excess of $2,500,000;

(iv) In no event will any Participant in any calendar year receive a Qualified Performance-Based Award that is an Annual Incentive Award having an aggregate maximum value in excess of $2,500,000; and

(v) In no event will any Participant in any calendar year receive a Qualified Performance-Based Award in the form of Other Awards of cash under Section 9(b) having an aggregate maximum value in excess of $2,500,000.

4. **Option Rights** . The Board may, from time to time, authorize the granting to Participants of Option Rights upon such terms and conditions consistent with the following provisions as it may determine:

(a) Each grant will specify the number of Shares to which it pertains subject to the limitations set forth in Section 3 of the Plan.

(b) Each grant will specify an Option Price per share, which may not be less than the Market Value per Share on the Date of Grant.

(c) Each grant will specify whether the Option Price will be payable (i) in cash or by check acceptable to NWI or by wire transfer of immediately available funds, (ii) by the actual or constructive transfer to NWI of Shares owned by the Optionee (or other consideration authorized pursuant to Section 4(d)) having a value at the time of exercise equal to the total Option Price, (iii) by withholding by NWI from the Shares otherwise deliverable to the Optionee upon the exercise of such Option, a number of Shares having a value at the time of exercise equal to the total Option Price, (iv) by a combination of such methods of payment, or (v) by such other methods as may be approved by the Board.

(d) To the extent permitted by law, any grant may provide for deferred payment of the Option Price from the proceeds of sale through a bank or broker on a date satisfactory to NWI of some or all of the Shares to which such exercise relates.

(e) Successive grants may be made to the same Participant whether or not any Option Rights previously granted to such Participant remain unexercised.

(f) Each grant will specify the period or periods of continuous service by the Optionee with NWI or any Subsidiary that is necessary before the Option Rights or installments thereof will become exercisable.

(g) Any grant of Option Rights may specify Management Objectives that must be achieved as a condition to the exercise of such rights.

(h) Option Rights granted under the Plan may be (i) Incentive Stock Options, (ii) options that are not intended to qualify as Incentive Stock Options, or (iii) combinations of the foregoing. Incentive Stock Options may only be granted to Participants who are "employees" (under Section 3401(c) of the Code) of NWI or a subsidiary of NWI (under Section 424 of the Code).

(i) The Board may substitute, without receiving Participant permission, Appreciation Rights payable only in Shares (or Appreciation Rights payable in Shares or cash, or a combination of both, at the Board's discretion) for outstanding Option Rights; provided , however , that the terms of the substituted Appreciation Rights are substantially the same as the terms for the Option Rights at the date of substitution and the difference between the Market Value Per Share of the underlying Shares and the Base Price of the Appreciation Rights is equivalent to the difference between the Market Value Per Share of the underlying Shares and the Option Price of the Option Rights. If the Board determines, based upon advice from NWI's accountants, that this provision creates adverse accounting consequences for NWI, it shall be considered null and void.

(j) No Option Right will be exercisable more than 10 years from the Date of Grant.

(k) No grant of Option Rights may provide for dividends, dividend equivalents or other similar distributions to be paid on such Option Rights.

5. **Appreciation Rights** . The Board may, from time to time, authorize the granting to any Participant of Appreciation Rights upon such terms and conditions consistent with the following provisions as it may determine:

(a) An Appreciation Right will be a right of the Participant to receive from NWI an amount determined by the Board, which will be expressed as a percentage of the Spread (not exceeding 100 percent) at the time of exercise.

(b) Each grant will specify the Base Price, which may not be less than the Market Value Per Share on the Date of Grant.

(c) Any grant may specify that the amount payable on exercise of an Appreciation Right may be paid by NWI in cash, in Shares or in any combination thereof and may retain for the Board the right to elect among those alternatives.

(d) Any grant may specify that the amount payable on exercise of an Appreciation Right may not exceed a maximum specified by the Board at the Date of Grant.

(e) Any grant may specify waiting periods before exercise and permissible exercise dates or periods.

(f) Each grant will specify the period or periods of continuous service by the Participant with NWI or any Subsidiary that is necessary before such Appreciation Right or installments thereof will become exercisable.

(g) Any grant of Appreciation Rights may specify Management Objectives that must be achieved as a condition of the exercise of such Appreciation Rights.

(h) Successive grants may be made to the same Participant regardless of whether any Appreciation Rights previously granted to the Participant remain unexercised.

(i) No Appreciation Right granted under the Plan may be exercised more than 10 years from the Date of Grant.

(j) No grant of Appreciation Rights may provide for dividends, dividend equivalents or other similar distributions to be paid on such Appreciation Rights.

6. **Restricted Stock** . The Board may, from time to time, authorize the granting of Restricted Stock to Participants upon such terms and conditions consistent with the following provisions as it may determine:

(a) Each such grant will constitute an immediate transfer of the ownership of Shares to the Participant in consideration of the performance of services, entitling such Participant to voting, dividend and other ownership rights, but such rights shall be subject to such restrictions and the fulfillment of such conditions (which may include the achievement of Management Objectives) during the Restriction Period as the Board may determine.

(b) Each such grant may be made without additional consideration or in consideration of a payment by such Participant that is less than the Market Value per Share at the Date of Grant.

(c) Each such grant will provide that the Restricted Stock covered by such grant that vests upon the passage of time will be subject to a “substantial risk of forfeiture” within the meaning of Section 83 of the Code for a Restriction Period to be determined by the Board at the Date of Grant or upon achievement of Management Objectives referred to in subparagraph (e) below.

(d) Each such grant will provide that during, and may provide that after, the Restriction Period, the transferability of the Restricted Stock will be prohibited or restricted in the manner and to the extent prescribed by the Board at the Date of Grant (which restrictions may include, without limitation, rights of repurchase or first refusal in NWI or provisions subjecting the Restricted Stock to a continuing substantial risk of forfeiture in the hands of any transferee).

(e) Any grant of Restricted Stock may specify Management Objectives that, if achieved, will result in termination or early termination of the restrictions applicable to such Restricted Stock.

(f) Notwithstanding anything to the contrary contained in the Plan, any grant of Restricted Stock may provide for the earlier termination of restrictions on such Restricted Stock in the event of the retirement, death or disability, or other termination of employment of a Participant, or a Change in Control; provided , however , that no Award intended to be a Qualified Performance-Based Award shall provide for such early termination of restrictions in the event of retirement or other termination of employment to the extent such provision would cause such Award to fail to be a Qualified Performance-Based Award.

(g) Any such grant of Restricted Stock may require that any or all dividends or other distributions paid thereon during the Restriction Period be automatically deferred and reinvested in additional shares of Restricted Stock or paid in cash, which may be subject to the same restrictions as the underlying Award; provided , however , that dividends or other distributions on Restricted Stock subject to

Management Objectives shall be deferred and paid in cash upon the achievement of the applicable Management Objectives and the lapse of all restrictions on such Restricted Stock.

(h) Unless otherwise directed by the Board, (i) all certificates representing shares of Restricted Stock will be held in custody by NWI until all restrictions thereon will have lapsed, together with a stock power or powers executed by the Participant in whose name such certificates are registered, endorsed in blank and covering such Shares, or (ii) all shares of Restricted Stock will be held at NWI's transfer agent in book entry form with appropriate restrictions relating to the transfer of such shares of Restricted Stock.

7. **Restricted Stock Units** . The Board may, from time to time, authorize the granting of Restricted Stock Units to Participants upon such terms and conditions consistent with the following provisions as it may determine:

(a) Each such grant will constitute the agreement by NWI to deliver Shares or cash to the Participant in the future in consideration of the performance of services, but subject to such restrictions and the fulfillment of such conditions (which may include the achievement of Management Objectives) during the Restriction Period as the Board may specify.

(b) Each such grant may be made without additional consideration or in consideration of a payment by such Participant that is less than the Market Value per Share at the Date of Grant.

(c) Notwithstanding anything to the contrary contained in the Plan, any grant of Restricted Stock Units may provide for the earlier lapse or modification of the Restriction Period in the event of the retirement, death or disability, or other termination of employment of a Participant, or a Change in Control; provided , however , that no Award intended to be a Qualified Performance-Based Award shall provide for such early lapse or modification in the event of retirement or other termination of employment to the extent such provision would cause such Award to fail to be a Qualified Performance-Based Award.

(d) During the Restriction Period, the Participant will have no right to transfer any rights under his or her Award and will have no rights of ownership in the Restricted Stock Units and will have no right to vote them, but the Board may at the Date of Grant, authorize the payment of dividend equivalents on such Restricted Stock Units on either a current, deferred or contingent basis either in cash, additional Restricted Stock Units or in additional Shares; provided , however , that dividend equivalents on Restricted Stock Units subject to Management Objectives shall be deferred and paid in cash upon the achievement of the applicable Management Objectives and the lapse of all restrictions on such Restricted Stock Units.

(e) Each grant of Restricted Stock Units will specify the time and manner of payment of the Restricted Stock Units that have been earned.

8. **Annual Incentive Awards, Performance Shares and Performance Units** . The Board may, from time to time, authorize the granting of Annual Incentive Awards, Performance Shares and Performance Units that will become payable to a Participant upon achievement of specified Management Objectives during the Performance Period, upon such terms and conditions consistent with the following provisions as it may determine:

(a) Each grant will specify either the number of shares, or amount of cash, payable with respect to Annual Incentive Awards, Performance Shares or Performance Units to which it pertains, which number or amount payable may be subject to adjustment to reflect changes in compensation or other factors.

(b) The Performance Period with respect to each Annual Incentive Award, Performance Share or Performance Unit will be such period of time (not less than one year in the case of each Performance Share and Performance Unit), as will be determined by the Board at the time of grant, which Performance Period may be subject to earlier lapse or other modification in the event of the retirement, death or disability, or other termination of employment of a Participant, or a Change in Control; provided , however , that no Award intended to be a Qualified Performance-Based Award shall provide for such early lapse or modification in the event of retirement or other termination of employment to the extent such provision would cause such Award to fail to be a Qualified Performance-Based Award.

(c) Any grant of Annual Incentive Awards, Performance Shares or Performance Units will specify Management Objectives that, if achieved, will result in payment or early payment of the Award and may set forth a formula for determining the number of shares, or amount of cash, payable with respect to Annual Incentive Awards, Performance Shares or Performance Units that will be earned if performance is at or above the minimum or threshold level or levels.

(d) Each grant will specify the time and manner of payment of Annual Incentive Awards, Performance Shares or Performance Units that have been earned. Any grant of Performance Shares or Performance Units may specify that the amount payable with respect thereto may be paid by NWI in cash, in Shares or in any combination thereof and will retain in the Board the right to elect among those alternatives.

(e) Any grant of Annual Incentive Awards, Performance Shares or Performance Units may specify that the amount payable or the number of Shares issued with respect thereto may not exceed maximums specified by the Board at the Date of Grant.

(f) The Board may at the Date of Grant of Performance Shares provide for the payment of dividend equivalents to the holder thereof on either a current, deferred or contingent basis, either in cash or in additional Shares; provided , however , that dividend equivalents on Performance Shares shall be deferred and paid in cash upon the achievement of the applicable Management Objectives.

9. **Other Awards.**

(a) The Board may, subject to limitations under applicable law, grant to any Participant such other awards that may be denominated or payable in, valued in whole or in part by reference to, or otherwise based on, or related to, Shares or factors that may influence the value of such Shares, including, without limitation, awards consisting of securities or other rights convertible or exchangeable into Shares, purchase rights for Shares, awards with value and payment contingent upon performance of the Company or specified Subsidiaries, Affiliates or other business units thereof or any other factors designated by the Board, and awards valued by reference to the book value of Shares or the value of securities of, or the performance of specified Subsidiaries or Affiliates or other business units of NWI. The Board shall determine the terms and conditions of such awards. Shares delivered pursuant to an award in the nature of a purchase right granted under this Section 9 shall be purchased for such consideration, paid for at such time, by such methods, and in such forms, including, without limitation, cash, Shares, Other awards, notes or other property, as the Board shall determine.

(b) Except as otherwise provided in Section 15(b), cash awards, as independent awards or as an element of or supplement to any other Award granted under the Plan, may also be granted pursuant to this Section 9.

(c) The Board may grant Shares as a bonus, or may grant other Awards in lieu of obligations of NWI or a Subsidiary to pay cash or deliver other property under the Plan or under other plans or compensatory arrangements, subject to such terms as shall be determined by the Board in a manner that complies with Section 409A of the Code.

10. **Transferability** .

(a) Except as otherwise determined by the Board, no Awards granted under the Plan shall be transferable by the Participant except by will or the laws of descent and distribution, and in no event shall any such Award granted under the Plan be transferred for value. Except as otherwise determined by the Board, Option Rights and Appreciation Rights will be exercisable during the Participant’s lifetime only by him or her or, in the event of the Participant’s legal incapacity to do so, by his or her guardian or legal representative acting on behalf of the Participant in a fiduciary capacity under state law and/or court supervision.

(b) The Board may specify at the Date of Grant that part or all of the Shares that are to be issued by the Company upon the exercise of Option Rights or Appreciation Rights, upon the termination of the Restriction Period applicable to Restricted Stock or Restricted Stock Units or upon payment under any

grant of Performance Shares, Performance Units or Other Awards will be subject to further restrictions on transfer.

11. **Adjustments** . The Board shall make or provide for such adjustments in the numbers of Shares covered by outstanding Option Rights, Appreciation Rights, Restricted Stock, Restricted Stock Units, Performance Shares and Performance Units granted hereunder and, if applicable, in the number of Shares covered by Other Awards, in the Option Price and Base Price provided in outstanding Option Rights or Appreciation Rights, and in the kind of Shares covered thereby, as the Board, in its sole discretion, exercised in good faith, may determine is equitably required to prevent dilution or enlargement of the rights of Participants or Optionees that otherwise would result from (a) any stock dividend, stock split, combination of shares, recapitalization or other change in the capital structure of the Company, (b) any merger, consolidation, spin-off, split- off, spin-out, split-up, reorganization, partial or complete liquidation or other distribution of assets, issuance of rights or warrants to purchase securities, or (c) any other corporate transaction or event having an effect similar to any of the foregoing. Moreover, in the event of any such transaction or event or in the event of a Change in Control, the Board, in its discretion, may provide in substitution for any or all outstanding Awards under the Plan such alternative consideration (including cash), if any, as it, in good faith, may determine to be equitable in the circumstances and may require in connection therewith the surrender of all Awards so replaced in a manner that complies with Section 409A of the Code. In addition, for each Option Right or Appreciation Right with an Option Price or Base Price greater than the consideration offered in connection with any such transaction or event or Change in Control, the Board may in its sole discretion elect to cancel such Option Right or Appreciation Right without any payment to the person holding such Option Right or Appreciation Right. The Board shall also make or provide for such adjustments in the numbers of shares specified in Section 3 of the Plan as the Board in its sole discretion, exercised in good faith, may determine is appropriate to reflect any transaction or event described in this Section 11; provided , however , that any such adjustment to the number specified in Section 3(a)(iii) will be made only if and to the extent that such adjustment would not cause any Option Right intended to qualify as an Incentive Stock Option to fail so to qualify.

12. **Administration of the Plan** .

(a) The Plan will be administered by the Board, which may from time to time delegate all or any part of its authority under the Plan to the Committee. To the extent of any such delegation, references in the Plan to the Board will be deemed to be references to such Committee. A majority of the Committee will constitute a quorum, and the action of the members of the Committee present at any meeting at which a quorum is present, or acts unanimously approved in writing, will be the acts of the Committee.

(b) To the extent permitted by applicable law, including any rule of the Nasdaq Stock Market, the Board or Committee may delegate its duties under the Plan to a Secondary Committee, subject to such conditions and limitations as the Board or Committee shall prescribe; provided , however , that: (i) only the Board or Committee may grant an Award to a Participant who is subject to Section 16 of the Exchange Act; (ii) only the Board or Committee may grant an Award designed to be a Qualified Performance-Based Award; (iii) no Secondary Committee may grant an Award to a member of such Secondary Committee; (iv) the resolution providing for such delegation sets forth the total number of Shares and/or the pool dollar value of the Awards such Secondary Committee may grant; and (v) the Secondary Committee shall report periodically to the Board or the Committee, as the case may be, regarding the nature and scope of the Awards granted pursuant to the authority delegated. To the extent of any such delegation, references or deemed references in the Plan to the Committee will be deemed to be references to such Secondary Committee. A majority of the Secondary Committee will constitute a quorum, and the action of the members of the Secondary Committee present at any meeting at which a quorum is present, or acts unanimously approved in writing, will be the acts of the Secondary Committee.

(c) The Board shall have full and exclusive discretionary power to interpret the terms and the intent of this Plan and any Evidence of Award or other agreement or document ancillary to or in connection with this

Plan, to determine eligibility for Awards and to adopt such rules, regulations, forms, instruments, and guidelines for administering this Plan as the Board may deem necessary or proper. Such authority shall include, but not be limited to, selecting Award recipients, establishing all Award terms and conditions, including the terms and conditions set forth in an Evidence of Award, granting Awards as an alternative to or as the form of payment for grants or rights earned or due under compensation plans or arrangements of the Company, construing any ambiguous provision of the Plan or any Evidence of Award, and, subject to Sections 15 and 18, adopting modifications and amendments to this Plan or any Evidence of Award, including without limitation, any that are necessary to comply with the laws of the countries and other jurisdictions in which NWI, its Affiliates, and/or its Subsidiaries operate. The grant of any Award that specifies Management Objectives that must be achieved before such Award can be earned or paid will specify that, before such Award will be earned and paid, the Board must certify that the Management Objectives have been satisfied.

(d) The interpretation and construction by the Board of any provision of this Plan or of any Evidence of Award or other agreement or document ancillary to or in connection with this Plan and any determination by the Board pursuant to any provision of the Plan or of any such Evidence of Award or other agreement or document ancillary to or in connection with this Plan will be final and conclusive. No member of the Board will be liable for any such action or determination made in good faith.

13. **Non U.S. Participants** . In order to facilitate the making of any grant or combination of grants under the Plan, the Board may provide for such special terms for Awards to Participants who are foreign nationals or who are employed by NWI or any Subsidiary outside of the United States of America, as the Board may consider necessary or appropriate to accommodate differences in local law, tax policy or custom. Moreover, the Board may approve such supplements to or amendments, restatements or alternative versions of the Plan (including without limitation, sub-plans) as it may consider necessary or appropriate for such purposes, without thereby affecting the terms of the Plan as in effect for any other purpose, and the Secretary or other appropriate officer of NWI may certify any such document as having been approved and adopted in the same manner as the Plan. No such special terms, supplements, amendments or restatements, however, will include any provisions that are inconsistent with the terms of the Plan as then in effect unless the Plan could have been amended to eliminate such inconsistency without further approval by the stockholders of NWI.

14. **Withholding Taxes** . To the extent that the Company is required to withhold federal, state, local or foreign taxes in connection with any payment made or benefit realized by a Participant or other person under the Plan, and the amounts available to the Company for such withholding are insufficient, it will be a condition to the receipt of such payment or the realization of such benefit that the Participant or such other person make arrangements satisfactory to the Company for payment of the balance of such taxes required to be withheld, which arrangements (in the discretion of the Board) may include relinquishment of a portion of such benefit. If a Participant’s benefit is to be received in the form of Shares, and such Participant fails to make arrangements for the payment of tax, the Company shall withhold such Shares having a value that shall not exceed the statutory minimum amount required to be withheld. Notwithstanding the foregoing, when a Participant is required to pay the Company an amount required to be withheld under applicable income and employment tax laws, the Participant may elect, or the Company may require the Participant, to satisfy the obligation, in whole or in part, by electing to have withheld, from the Shares required to be delivered to the Participant, Shares having a value equal to the amount required to be withheld, or by delivering to the Company other Shares held by such Participant. The Shares used for tax withholding will be valued at an amount equal to the Market Value per Share of such Shares on the date the benefit is to be included in Participant’s income. In no event will the Market Value per Share of the Shares to be withheld or delivered pursuant to this Section 14 to satisfy applicable withholding taxes exceed the minimum amount of taxes required to be withheld. Participants shall also make such arrangements as the Company may require for the payment of any withholding tax obligation that may arise in connection with the disposition of Shares acquired upon the exercise of Option Rights.

15. **Amendments, Etc** .

(a) The Board may at any time and from time to time amend the Plan in whole or in part; provided , however , that if an amendment to the Plan must be approved by the stockholders of NWI in order to comply with applicable law or the rules of the Nasdaq Stock Market or, if the Shares are not traded on the Nasdaq Stock Market, the principal national securities exchange upon which the Shares are traded or quoted, then, such amendment will be subject to stockholder approval and will not be effective unless and until such approval has been obtained.

(b) Except in connection with a corporate transaction or event described in Section 11 of the Plan, the terms of outstanding Awards may not be amended to reduce the Option Price of outstanding Option Rights or the Base Price of outstanding Appreciation Rights, and no outstanding Option Rights or Appreciation Rights may be cancelled in exchange for other Awards, or cancelled in exchange for Option Rights or Appreciation Rights with an Option Price or Base Price, as applicable, that is less than the Option Price of the original Option Rights or Base Price of the original Appreciation Rights, as applicable, or cancelled in exchange for cash, without stockholder approval. This Section 15(b) is intended to prohibit (without stockholder approval) the repricing of "underwater" Option Rights and Appreciation Rights and will not be construed to prohibit the adjustments provided for in Section 11 of the Plan. Notwithstanding any provision of the Plan to the contrary, this Section 15(b) may not be amended without approval by NWI's stockholders.

(c) If permitted by Section 409A of the Code and Section 162(m) in the case of a Qualified Performance-Based Award, in case of termination of employment by reason of death, disability or normal or early retirement, or in the case of unforeseeable emergency or other special circumstances, of a Participant who holds an Option Right or Appreciation Right not immediately exercisable in full, or any Shares of Restricted Stock or any Restricted Stock Units as to which the Restriction Period has not been completed, or any Annual Incentive Awards, Performance Shares or Performance Units which have not been fully earned, or any Other Awards subject to any vesting schedule or transfer restriction, or who holds Shares subject to any transfer restriction imposed pursuant to Section 10(b) of the Plan, the Board may, in its sole discretion, accelerate the time at which such Option Right, Appreciation Right or Other Award may be exercised or the time when such Restriction Period will end or the time at which such Annual Incentive Awards, Performance Shares or Performance Units will be deemed to have been fully earned or the time when such transfer restriction will terminate or may waive any other limitation or requirement under any such Award.

(d) Subject to Section 16(b) of the Plan, the Board may amend the terms of any award theretofore granted under the Plan prospectively or retroactively, but subject to Section 11 of the Plan, no such amendment shall impair the rights of any Participant without his or her consent, except as necessary to comply with changes in law or accounting rules applicable to NWI. The Board may, in its discretion, terminate the Plan at any time.

Termination of the Plan will not affect the rights of Participants or their successors under any Awards outstanding hereunder on the date of termination.

16. **Compliance with Section 409A of the Code** .

(a) To the extent applicable, it is intended that the Plan and any grants made hereunder comply with the provisions of Section 409A of the Code, so that the income inclusion provisions of Section 409A(a)(1) of the Code do not apply to the Participants. The Plan and any grants made hereunder shall be administered in a manner consistent with this intent. Any reference in the Plan to Section 409A of the Code will also include any regulations or any other formal guidance promulgated with respect to such Section by the U.S. Department of the Treasury or the Internal Revenue Service.

(b) Neither a Participant nor any of a Participant's creditors or beneficiaries shall have the right to subject any deferred compensation (within the meaning of Section 409A of the Code) payable under the Plan and grants hereunder to any anticipation, alienation, sale, transfer, assignment, pledge, encumbrance,

attachment or garnishment. Except as permitted under Section 409A of the Code, any deferred compensation (within the meaning of Section 409A of the Code) payable to a Participant or for a Participant's benefit under the Plan and grants hereunder may not be reduced by, or offset against, any amount owing by a Participant to the Company or any of its Affiliates.

(c) If, at the time of a Participant's separation from service (within the meaning of Section 409A of the Code), (i) the Participant shall be a specified employee (within the meaning of Section 409A of the Code and using the identification methodology selected by NWI from time to time) and (ii) NWI shall make a good faith determination that an amount payable hereunder constitutes deferred compensation (within the meaning of Section 409A of the Code) the payment of which is required to be delayed pursuant to the six-month delay rule set forth in Section 409A of the Code in order to avoid taxes or penalties under Section 409A of the Code, then NWI shall not pay such amount on the otherwise scheduled payment date but shall instead pay it, without interest, on the tenth business day of the month after such six-month period.

(d) Notwithstanding any provision of the Plan and grants hereunder to the contrary, in light of the uncertainty with respect to the proper application of Section 409A of the Code, NWI reserves the right to make amendments to the Plan and grants hereunder as NWI deems necessary or desirable to avoid the imposition of taxes or penalties under Section 409A of the Code. In any case, a Participant shall be solely responsible and liable for the satisfaction of all taxes and penalties that may be imposed on a Participant or for a Participant's account in connection with the Plan and grants hereunder (including any taxes and penalties under Section 409A of the Code), and neither the Company nor any of its Affiliates shall have any obligation to indemnify or otherwise hold a Participant harmless from any or all of such taxes or penalties.

17. **Governing Law** . The Plan and all grants and Awards and actions taken thereunder shall be governed by and construed in accordance with the internal substantive laws of the State of Delaware, without regard to principles of conflicts of laws.

18. **Effective Date/Termination** . The Plan will be effective as of the Effective Date. No grants will be made on or after the Effective Date under the Existing Plan, except that outstanding Awards granted under the Existing Plan will continue unaffected, in accordance with the terms of the Existing Plan as in effect on the Effective Date, following the Effective Date. No grant will be made under the Plan more than 10 years after the Effective Date, but all grants made on or prior to such date will continue in effect thereafter subject to the terms of the Evidence of Award conveying such grants and of the Plan.

19. **Miscellaneous** .

(a) Each grant of an Award will be evidenced by an Evidence of Award and will contain such terms and provisions, consistent with the Plan, as the Board may approve.

(b) NWI will not be required to issue any fractional Shares pursuant to the Plan. The Board may provide for the elimination of fractional Shares or for the settlement of fractional Shares in cash.

(c) The Plan will not confer upon any Participant any right with respect to continuance of employment or other service with NWI or any Subsidiary, nor will it interfere in any way with any right NWI or any Subsidiary would otherwise have to terminate such Participant's employment or other service at any time.

(d) No person shall have any claim to be granted any Award under the Plan. Without limiting the generality of the foregoing, the fact that a target Award is established for the job value or level for an employee shall not entitle any employee to an Award hereunder. Except as provided specifically herein, a Participant or a transferee of an Award shall have no rights as a stockholder with respect to any Shares covered by any Award until the date as of which he or she is actually recorded as the holder of such Shares upon the stock records of the Company.

(e) Determinations by the Board or the Committee under the Plan relating to the form, amount and terms and conditions of grants and Awards need not be uniform, and may be made selectively among persons who receive or are eligible to receive grants and Awards under the Plan, whether or not such persons are similarly situated.

(f) To the extent that any provision of the Plan would prevent any Option Right that was intended to qualify as an Incentive Stock Option from qualifying as such, that provision will be null and void with respect to such Option Right. Such provision, however, will remain in effect for other Option Rights and there will be no further effect on any provision of the Plan.

(g) No Award under the Plan may be exercised by the holder thereof if such exercise, and the receipt of cash or stock thereunder, would be, in the opinion of counsel selected by the Board, contrary to law or the regulations of any duly constituted authority having jurisdiction over the Plan.

(h) Absence or leave approved by a duly constituted officer of NWI or any of its Subsidiaries shall not be considered interruption or termination of service of any employee for any purposes of the Plan or Awards granted hereunder.

(i) The Board may condition the grant of any Award or combination of Awards authorized under the Plan on the surrender or deferral by the Participant of his or her right to receive a cash bonus or other compensation otherwise payable by NWI or a Subsidiary to the Participant.

(j) If any provision of the Plan is or becomes invalid, illegal or unenforceable in any jurisdiction, or would disqualify the Plan or any Award under any law deemed applicable by the Board, such provision shall be construed or deemed amended or limited in scope to conform to applicable laws or, in the discretion of the Board, it shall be stricken and the remainder of the Plan shall remain in full force and effect.

(k) Any Evidence of Award may: (i) provide for recoupment by the Company of all or any portion of an Award upon such terms and conditions as the Board or Committee may specify in such Evidence of Award; or (ii) include restrictive covenants, including, without limitation, non-competition, non-disparagement and confidentiality conditions or restrictions, that the Participant must comply with during employment by or service to the Company and/or within a specified period after termination as a condition to the Participant's receipt or retention of all or any portion of an Award. This Section 19(k) shall not be the Company's exclusive remedy with respect to such matters. This Section 19(k) shall not apply after a Change in Control, unless otherwise specifically provided in the Evidence of Award.

Exhibit 10.3

2015 Corporate Bonus Plan

Bonus Calculation

Officers and employees ("Participants") of Novatel Wireless, Inc. (the "Company") will be eligible for bonuses under the 2015 Corporate Bonus Plan, with target bonus amounts set as a percentage of base salary based on rank or job title within the Company (the "Bonus Awards"). Commissioned employees are not covered by the Plan and are instead covered by their commission plans.

The Bonus Awards under this Plan are based upon the Company meeting its revenue, gross margin and/or EBITDA objectives. Due to the Company's 2014 Retention Bonus Plan's applicability to the first quarter of 2015, the Bonus Awards under this Plan relate only to the second through fourth quarters of the Company's 2015 fiscal year (the "Performance Period"). Payouts will be 75% of the payout that would have been applicable for a bonus plan based on a full fiscal year.

Seventy-five percent (75%) of the Bonus Award will be based on achievement of Company objectives, with twenty-five percent (25%) of each Bonus Award earned if the Company meets each of its (a) revenue, (b) gross margin and (c) EBITDA objectives for the Performance Period. Achievement of at least 85% of the revenue and gross margin Performance Goals, and 50% of the EBITDA Performance Goal, is required for any payment of the portion of each Bonus Award that is based on achievement by the Company of such Performance Goal.

- Should the Company achieve at least 85% of its revenue or gross margin Performance Goals, bonuses for such Performance Goal will be paid for that Performance Goal, with 85% performance equating to 50% payout for each Performance Goal. Should the Company achieve 115% or more of its revenue or gross margin Performance Goals, bonuses for that Performance Goal shall be paid at 150% of what the Participant would have been paid on target for that Performance Goal. Bonus Awards are prorated for revenue and gross margin Performance Goal achievement between 85% and 100%, and between 100% and 115%, on a straight line interpolation.

- Should the Company achieve at least 50% of EBITDA Performance Goal, bonuses for such Performance Goal will be paid for that Performance Goal, with 50% performance equating to 50% payout for the Performance Goal. Should the Company achieve 200% or more of its EBITDA Performance Goal, bonuses for that Performance Goal shall be paid at 150% of what the Participant would have been paid on target for that Performance Goal. Bonus Awards are prorated for EBITDA Performance Goal achievement between 50% and 100%, and between 100% and 200%, on a straight line interpolation.

The remaining twenty-five percent (25%) of the Bonus Award will be determined based on individual performance during the Performance Period.

Eligibility

Bonus Award amounts are based upon actual base salary paid during the Performance Period, exclusive of other payments or bonuses. A Participant must be an employee of the Company on the date of distribution of the Bonus Award payment in order to receive a Bonus Award payment.

Eligibility to receive a Bonus Award under the Plan shall not confer upon any Participant any right with respect to continued employment by the Company or continued participation in the Plan. The Company reaffirms its at-will relationship with its employees and expressly reserves the right at any time to dismiss an employee free from any liability or claim for benefits pursuant to the Bonus Award or the Plan, except as provided under the Plan or other written plan adopted by the Company or written agreement between the Company and a Participant.

Award Payments

After the end of the Performance Period, the Committee shall determine (i) whether the established Performance Goals were achieved and (ii) the amount of the aggregate Bonus Awards. Payment of each Bonus Award amount shall be made within 60 days following the determination by the Committee that the Performance Goals and other criteria for payment were satisfied. Payroll and other taxes shall be withheld as determined by the Company in accordance with law. The Company may pay up to 50% of the Bonus Award payments with stock instead of cash.

Notwithstanding the Committee's determination that the Performance Goals were fully satisfied, the Committee shall have the discretion to reduce each Bonus Award amount as it considers appropriate, including as a result of market conditions, personnel, new or different product offerings and/or Company restructuring.

Annex I to 2015 Corporate Bonus Program

Annual Target Awards:
(for a full fiscal year; to be pro-rated 75% for 2015 Corporate Bonus Plan)

- CEO and President: 60%
- CFO: 50%
- VPs: 25%
- Directors: 20%
- Managers: 15%
- Others (not identified above): 10%

EXHIBIT 99.1

March 30, 2015

Feeney Wireless acquired by Novatel Wireless

Feeney Wireless brings expertise in managed services, SaaS, and connectivity solutions; combination serves as the cornerstone to execute on Novatel Wireless' vision to deliver the broadest, most comprehensive IoT portfolio

Acquisition doubles current IoT revenue run rate; immediate accretion to earnings

Diversifies business model; expands hardware product portfolio

Conference call and webcast - March 30, 2015, 5:00PM EDT / 2:00 PDT

San Diego, Calif., and Eugene, Ore., March 30, 2015 (GLOBE NEWSWIRE)- Novatel Wireless, Inc., (Nasdaq: MIFI), a leading provider of wireless solutions for the Internet of Things (IoT), and Feeney Wireless (FW) (www.feeneywireless.com), a privately held, US-based provider of end-to-end IoT solutions and services, today announced that Novatel Wireless completed the acquisition of FW for $25 million in a combination of cash and stock, with up to an additional $25 million in potential earn-out payments over four years based on FW's revenue and gross profit performance.

Founded in 1999, FW is an IoT products, systems integration and services company that specializes in fixed and mobile cellular-based wireless IoT solutions with a focus on product innovation, speed to market, and rapid commercialization of new connected devices. FW has a strong base of enterprise and government customers, a proven carrier SaaS-based management platform that enables 250,000 subscribers, and a deep bench of development talent that will help Novatel Wireless expand its addressable markets and drive growth in services revenue. FW has 91 full-time employees. Gartner Research estimates that IoT product and service suppliers will generate incremental revenue exceeding $300 billion in 2020.

"With this strategic combination, we create an innovative new model positioning Novatel Wireless as a total IoT solutions and services leader, from hardware to SaaS to connectivity. This transaction creates a powerful engine for generating immediate and long-term value for our shareholders," said Alex Mashinsky, Novatel Wireless CEO. "FW has established a remarkable ecosystem of products, system integration solutions, engineering, and consulting services that aligns with our strategy to simplify IoT for our customers and partners. Their recently released IoT application framework, Crossroads, is a great example of this and is already being deployed with key anchor customers."

"Joining with Novatel Wireless enables us to accelerate growth on a global scale and broaden our customer base," said Ethan Ralston, FW President and CEO. "Our complementary strengths provide leverage for delivering a compelling, proactive approach to end-to-end solutions that combine best in class technology and engineering with best in class services and systems integration."

"This combination catapults both companies to a new level as we continue to build on our aligned mission to simplify the complexity of IoT through complete end-to-end solutions," added Bob Ralston, FW Chairman.

Including a solid and growing base of recurring revenue, FW plans to generate at least $38 million in revenue in 2015. Novatel Wireless expects the transaction to be immediately accretive

to its earnings, with estimated non-GAAP earnings before interest, taxes, depreciation, and amortization (EBITDA) from FW of approximately $3 million in 2015.

The combined companies will leverage synergies in product development, engineering services, global channels and complementary resources.

As part of the financing for this transaction, HC2 Holdings, Inc., Novatel Wireless' largest shareholder, early-exercised approximately $8.6 million of warrants to purchase Novatel Wireless common stock that were issued in September 2014, and that otherwise could have remained outstanding until September 2019.

Inducement Stock Options for FW Employees

In connection with the acquisition of FW, Novatel Wireless granted inducement stock options to 91 FW employees to acquire an aggregate of 323,000 shares of Novatel Wireless common stock under the Company's 2009 Omnibus Incentive Compensation Plan. The inducement stock options were made without shareholder approval in reliance upon the exception provided under NASDAQ Listing Rule 5635(c)(4) relating to awards granted in connection with the hiring of new employees, including grants to transferred employees in connection with an acquisition. The inducement awards became effective upon the closing of the acquisition. Stock options granted to FW employees have an exercise price of $4.65 per share. The options have a ten-year term and will become exercisable on the first year anniversary of the date of grant for 25% of the total option shares, and the remaining 75% will become exercisable in equal monthly increments each month thereafter for three years. In the event of termination of employment, all unvested options will terminate.

Conference call and webcast

Novatel Wireless CEO, Alex Mashinsky, and Executive Vice President and CFO, Michael Newman, will host a conference call and webcast with analysts and investors today, March 30, at 5:00 PM Eastern time (2:00 PM PT).

To participate in this conference call, please dial the following number approximately ten minutes prior to the commencement of the call.

Toll-free: 877-317-6789

International: 412-317-6789

A link to the webcast of the conference call can be found under the Events section of the company's investor relations website at: http://nvtl.com/about/investors/.

The webcast will remain available at the above link for one year following the call.

About Novatel Wireless

Novatel Wireless, Inc. (Nasdaq:MIFI) is a leader in the design and development of M2M wireless solutions based on 3G and 4G technologies. The Company delivers Internet of Things (IoT) and Cloud SAAS services to carriers, distributors, retailers, OEMs and vertical markets worldwide. Product lines include MiFi® Intelligent Mobile Hotspots, USB modems, Expedite® and Enabler embedded modules, Mobile Tracking Solutions, and Asset Tracking Solutions. These innovative products provide anywhere, anytime communications solutions for consumers and enterprises. Novatel Wireless is headquartered in San Diego, California. http://www.nvtl.com. @MiFi (Twitter)

NOVATEL WIRELESS

MiFi is a registered trademark of Novatel Wireless, Inc. - the creators and patent holders of MiFi technology.

About FW

FW is a team of innovators with big ambitions on a mission to connect things. Founded in 1999, FW is an IoT products, systems integration and services company headquartered in Eugene, Oregon. FW specializes in fixed and mobile cellular-based wireless solutions with a focus on product innovation, speed to market, and rapid commercialization of new connected devices. www.feeneywireless.com

Certain statements in this press release may constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements relate to a variety of matters, including, without limitation, statements related to the ability of Novatel Wireless to expand its addressable markets, drive growth in service revenue and broaden its customer base as a result of the acquisition of FW, the revenue and EBITDA expected to be generated by FW during 2015 and other statements that are not purely statements of historical fact. These forward-looking statements are made on the basis of the current beliefs, expectations and assumptions of the management of Novatel Wireless and are subject to significant risks and uncertainty. Investors are cautioned not to place undue reliance on any such forward-looking statements. All such forward-looking statements speak only as of the date they are made, and Novatel Wireless undertakes no obligation to update or revise these statements, whether as a result of new information, future events or otherwise. Although Novatel Wireless believes that the expectations reflected in these forward-looking statements are reasonable, these statements involve many risks and uncertainties that may cause actual results to differ materially from what may be expressed or implied in these forward-looking statements. For a further discussion of risks and uncertainties that could cause actual results to differ from those expressed in these forward-looking statements, as well as risks relating to the business of Novatel Wireless in general, see the risk disclosures in the Annual Report on Form 10-K of Novatel Wireless for the year ended December 31, 2014, and in other filings made with the SEC by Novatel Wireless (available at www.sec.gov).

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