

MEMORANDUM OF UNDERSTANDING

THIS MEMORANDUM OF UNDERSTANDING ("MOU") is entered into this 31st day of March, 2017 (the "Effective Date") by and between Tally Inc. ("Tally") and BuyCo Limited ("BuyCo").

This MOU confirms the mutual understandings of previous discussions between the parties with respect to the distribution of Products by Tally's channel partners to the customers within ARC previously served by Channel Partners, namely, ABC, XYZ, and DMXZ ("Designated Channel Partners"), as defined in the Amended and Restated BuyCo Distribution Agreement, effective December 21, 2005, between the parties hereto (the "Distribution Agreement"). The parties have agreed as follows.

1. Binding. All terms and conditions expressed in this MOU are the agreement made in the course of negotiation and shall be executed by the parties in good faith.

2. Limited Distribution by Tally to BuyCo ARC Accounts. Notwithstanding the provisions in the Sections 2.1.1 and 2.2 of the Distribution Agreement, Tally may by itself market, sell or otherwise distribute Products, or Tally may appoint its sales representatives or channel partners (collectively, "Tally Channel Partners"), and may cause those Tally Channel Partners to, market, sell or otherwise distribute Products, during the Term, with respect to Designated BuyCo ARC Customers and Non-Designated BuyCo ARC Customers (both as defined below) subject to the Tally's payment of the applicable Service Fee to BuyCo pursuant to the Section 3 and other amounts due under Section 4 below. Notwithstanding anything to the contrary set forth in this MOU, Designated BuyCo ARC Customers and Non-Designated BuyCo ARC Customers shall be limited to those customers of Products served by the Designated Channel Partners during the term of the Distribution Agreement but prior to July 1, 2016. Except as expressly provided in this MOU with respect to Designated BuyCo ARC Customers, Tally is not receiving any other exceptions to or exemptions from the operation of Sections 2.1.1 and 2.2 of the Distribution Agreement. Subject to the exclusivity provisions of 2.1.1 and 2.2 of the Distribution Agreement, nothing in this MOU shall imply that Tally has, or ever had, any restriction on the appointment of Tally Channel Partners, including any party designated as a BuyCo Channel Partner.

3. Service Fee for Designated BuyCo ARC Customers. Tally shall pay to BuyCo a Service Fee equal to the product of (i) Tally's direct selling price to customer if the Product is not sold through a Channel Partner or Tally Channel Partners' actual distributor cost for the BuyCo ARC Customers, which are specified in Exhibit A attached hereto and to which Tally markets, sells or otherwise distributes Products or causes Tally Channel Partners to, market, sell and otherwise distribute Products ("Designated BuyCo ARC Customers"), multiplied by a Service Fee rate of (a) 4.3% for SCO Product, and (b) such figure as specified in Section 5 below for Combined Product, for the period beginning from July 1, 2006 through September 30, 2017. If the Distribution Agreement is still in effect on October 1, 2017, the Service Fee shall remain due and payable by Tally to BuyCo and the rate in (a) and (b) shall

be reduced to 1.0% for all Product. This reduced Service Fee rate of 1.0% shall continue until the earlier of December 31, 2017 or the date on which BuyCo's Aggregate Ownership Interest falls below 12.5%. If the Distribution Agreement terminates prior to October 1, 2017, no Service Fee is due or payable for any period after September 30, 2007. Payment of the Service Fee (i) for the period of July 1, 2016 through December 31, 2016 shall be made by April 6, 2017, (ii) for the period of January 1, 2017 through March 31, 2017 shall be made by May 15, 2017, and (iii) for the period thereafter shall be made monthly on the 60th day after the end of each month.

4. Non-Designated BuyCo ARC Customers. Tally shall pay to BuyCo an amount equal to the product of (i) Tally's direct selling price to customer if the Product is not sold through a Channel Partner or Tally Channel Partners' actual distributor cost for Products sold to customers except Designated BuyCo ARC Customers which were serviced by BuyCo prior to July 1, 2016 ("Non-Designated BuyCo ARC Customers"), to which Tally markets, sells or otherwise distributes

Products or causes Tally Channel Partners to, market, sell and otherwise distribute Products, multiplied by (ii) a rate of (a) 1.5% for CROSS Product, and (b) 1% for Combined Product, for the period beginning from July 1, 2006 through December 31, 2006. This payment is not due under the Distribution Agreement but is paid to settle any disagreement between Tally and BuyCo related to any Non-Designated ARC Customers serviced after July 1, 2006 by the three Tally distributors named above. Payment thereof shall be made by April 6, 2007.

5. Service Fee rate for Combined Products for Designated BuyCo ARC Customers.

5.1 Combined Products. The Service Fee rate for each Combined Product sold to a BuyCo ARC Customer shall be as follows notwithstanding anything to the contrary in this MOU:

(a) for Combined Products with equal to or greater than ninety percent (90%) Tally Content, the Service Fee rate shall be equal to 14.2% of the Tally 's direct selling price to customer if the Product is not sold through a Channel Partner or Tally Channel Partners' actual distributor cost for the BuyCo ARC Customers for such Product;

(b) for Combined Products with equal to or greater than seventy-five percent (75%) and less than ninety percent (90%) Tally Content, the Service Fee rate shall be equal to 3.3% of the Tally 's direct selling price to customer if the Product is not sold through a Channel Partner or Tally Channel Partners' actual distributor cost for the BuyCo ARC Customers for such Product;

(c) for Combined Products with equal to or greater than sixty-five percent (65%) and less than seventy-five percent (75%) Tally Content, the Service Fee rate shall be equal to 3.2% of the Tally 's direct selling price to customer if the Product is not sold through a Channel Partner or Tally Channel Partners' actual distributor cost for the BuyCo ARC Customers for such Product;

(d) for Combined Products with equal to or greater than fifty percent (50%) and less than sixty-five percent (65%) Tally Content, the Service Fee rate shall be equal to 2.9% of the Tally 's direct selling price to customer if the Product is not sold through a Channel Partner or Tally Channel Partners' actual distributor cost for the BuyCo ARC Customers for such Product;

(e) for Combined Products with equal to or greater than twenty-five percent (25%) and less than fifty percent (50%) Tally Content, the Service Fee rate shall be equal to 2.3% of the Tally 's direct selling price to customer if the Product is not sold through a Channel Partner or Tally Channel Partners' actual distributor cost for the BuyCo ARC Customers for such Product; and

(f) for Combined Products with less than twenty-five percent (25%) Tally Content, the Service Fee rate shall be equal to 4.3% of the difference between Tally 's direct selling price to customer if the Product is not sold through a Channel Partner or Tally Channel Partners' actual distributor cost and one hundred percent (100%) of the price that Tally paid for the non-Tally Content.

5.2 Determination of Tally Content. The percentage of Tally Content of any Combined Product shall be determined by Tally using the following formula: the RSP for such Product, less the standard, pre-established forecasted cost (as determined by Tally) for the non Tally Content of such Product; the difference is then *divided by* the RSP for such Product. The formula for determining the percentage of Tally content for Combined Products is illustrated immediately below.

$$\frac{(\text{Product RSP}) - (\text{Price paid by Tally for non-Tally Content})}{(\text{Product RSP})}$$

5.3 Content Review; Breakdown. Tally shall, on a Quarterly basis, review the percentage of Tally Content for each Combined Product, and shall make adjustments to the Service Fee for Combined

Product(s), as required based on such review. For each Combined Product, Tally shall provide BuyCo with a detailed cost breakdown of the non-Tally Content that was used in determining the percentage of Tally Content for such Product.

6. Payment.

6.1 In cases of clauses (i) and (ii) of Section 3 and Section 4 above, Tally shall provide BuyCo with documents evidencing the sales data of Products and the amount of Service Fees that accrue in each month of the applicable period prior to each of the due date. BuyCo will then issue the invoice thereof.

6.2 In case of clause (iii) of Section 3 above, Tally shall provide BuyCo with documents evidencing the sales data of Products and the amount of Service Fees that accrue in each month of the applicable period no later than the forty (40) days after the period has ended. If BuyCo agrees to such documents and amount provided by Tally, then BuyCo shall issue an invoice to Tally within five (5) working days from the receipt thereof. Tally shall pay the Service Fees within fifteen (15) working days after the receipt of such invoice. If BuyCo does not agree to such documents or amount, then BuyCo shall so notify Tally within ten (10) working days from the receipt thereof.

6.3 Upon BuyCo's reasonable request from time to time, BuyCo shall have the right to request the reasonable data of Tally's books and records as necessary to verify the amounts payable to BuyCo by Tally under this MOU.

7. Term. This MOU shall be effective as of the Effective Date and shall continue until the earlier of the termination of the Distribution Agreement or the date on which the Distribution Agreement is amended in a manner to supersede this MOU. Provided, however, even if this MOU is terminated pursuant to this Section 7, due to the termination of the Distribution Agreement, Tally's obligation to pay Service Fees to BuyCo under Section 3 above shall remain intact.

8. Interpretation. The parties agree that except as expressly set forth in this MOU, all the remaining provisions of the Distribution Agreement shall continue in full force and effect. Capitalized terms used in this MOU but not defined herein shall have the meanings ascribed to such terms in the Distribution Agreement.

The parties hereto have caused this MOU to be executed by their duly authorized representatives as of the date first above written.

Exhibit A
Designated BuyCo ARC Customers

1. AKA Electronics Co., Ltd.
2. ZYZ Electronics Corp., Ltd.
3. AKE Radar R&D Ltd