

NewCo Exclusive License Term Sheet – For discussion purposes only

Licensed IP	<p><u>P294</u>: NF FIRMWARE IMPLEMENTATION (PAT/File Opened)</p> <p><u>P573</u>: NF CLOUD ARCHITECTURE (PAT/Filed)</p> <p><u>C483</u>: FRAMEWORK FOR CONTROL OF NF'S BEHAVIOR (CRT/File Opened)</p>
Grant	Exclusive license to make, use, and sell products in designated fields of use.
Field of Use	Networking
Term	Life of patents
Milestone Fee	Upon reaching \$10M in sales in a given year, a onetime 2% milestone payment for the sales that year.
Equity	<p>Equity position of 15%, Company shall issue to BigTech shares representing 15 percent (15%) of the Fully-Diluted Shares Outstanding as of the date of execution</p> <p>Company agrees that BigTech's Share Percentage shall be maintained at 15 percent (15%) until Company receives, in the aggregate, in a single transaction or a series of related transactions, at least \$2.0M of Equity Financing</p>
Patent Reimbursement	No payment for past patent costs (\$20,000 limit) - future patent costs to be paid by NewCo. Current patent costs total: \$19,971
Ownership of Licensed Software	C483 is owned by BigTech
Diligence Requirements	<ul style="list-style-type: none"> • An updated business plan on the 1-year anniversary of the agreement • Consolidated financial statements annually provided to BigTech • Development plan due with the execution of the license and development reports due every six months • First commercial sale (\$650K in product revenue) by 1 May 2019, • If not being developed or no sales for 1 year, license converts to non-exclusive • BigTech has the option to be a Board Observer
Future Securities Offerings	If NewCo offers to sell any equity securities, BigTech shall have a preemptive right to acquire such Equity Securities as may be issued or proposed to be issued by Company from time to time. Such preemptive right shall apply with respect to any Equity Securities issued by Company after the Effective Date, whether such additional Equity Securities constitute a part of the

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	Equity Securities presently or subsequently authorized or constitute Equity Securities held in the treasury of Company. BigTech shall have the right to acquire Equity Securities of the type being issued in an amount equal to the product of (i) BigTech’s Share Percentage immediately prior to such issuance, multiplied by (ii) the number of Equity Securities of the type that are to be issued to all Persons pursuant to such issuance. If BigTech decides to participate in the “A” round, BigTech will have an option to take a board seat.
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