

As confidentially submitted to the Securities and Exchange Commission on January 5, 2018,  
as Amendment No. 1 to the confidential submission.

Registration No. 333-

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

Amendment No. 1 to  
Form F-1  
REGISTRATION STATEMENT  
UNDER THE SECURITIES ACT OF 1933  
IBEX Holdings Limited  
(Exact name of registrant as specified in its charter)  
Not Applicable  
(Translation of Registrant's name into English)

<p><b>Bermuda</b> (State or other jurisdiction of incorporation or organization)</p>	<p><b>7389</b> (Primary Standard Industrial Classification Code Number)</p>	<p><b>Not Applicable</b> (I.R.S. Employer Identification Number)</p>
<p><b>Crawford House, 50 Cedar Avenue Hamilton HM11, Bermuda (441) 295-6500</b> (Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)</p>		
<p><b>Mohammed Khaishgi, Chief Executive Officer IBEX Holdings Limited 1700 Pennsylvania Avenue NW, Suite 560 Washington, DC 20006 (202) 580-6200</b> (Name, address, including zip code, and telephone number, including area code, of agent for service)</p>		

Copies to:

Christopher C. Paci, Esq.  
David C. Schwartz, Esq.  
DLA Piper LLP (US)  
1251 Avenue of the Americas  
New York, New York 10020  
(212) 335-4500

Joseph C. Theis, Jr., Esq.  
Goodwin Procter LLP  
100 Northern Avenue  
Boston, Massachusetts 02210  
(617) 570-1000

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

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

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

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

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

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933.

Emerging growth company

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

† The term "new or revised financial accounting standard" refers to any update issued by the Financial Accounting Standards Board to its Accounting Standards Codification after April 5, 2012.

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Amount to be Registered	Proposed Maximum Offering Price Per Share	Proposed Maximum Aggregate Offering Price <sup>(1)(2)</sup>	Amount of Registration Fee
Common Shares, par value \$0.0001 per share		\$	\$	\$

(1) Estimated solely for the purpose of calculating the registration fee in accordance with Rule 457(o) under the Securities Act of 1933.

(2) Includes shares subject to the underwriters' option to purchase additional shares.

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

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The information in this preliminary prospectus is not complete and may be changed. Neither we nor the selling stockholders may sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This preliminary prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

Subject to Completion. Dated \_\_\_\_\_, 2018

**PRELIMINARY PROSPECTUS**

Shares



**IBEX HOLDINGS LIMITED**

**COMMON SHARES**

This is an initial public offering of common shares of IBEX Holdings Limited. We are offering \_\_\_\_\_ common shares. The selling shareholder identified in this prospectus is offering an additional \_\_\_\_\_ common shares. We will not receive any of the proceeds from the sale of the shares by the selling shareholder.

Prior to this offering, there has been no public market for our common shares. We anticipate that the initial public offering price will be between \$ \_\_\_\_\_ and \$ \_\_\_\_\_ per share. We intend to apply to have our common shares listed on the Nasdaq Global Market under the symbol "IBEX."

**We are an "emerging growth company" as that term is used in the Jumpstart Our Business Startups Act of 2012, or the JOBS Act, and, as such, will be subject to reduced public company reporting requirements.**

**After completion of this offering, we will be a "controlled company" within the meaning of the corporate governance standard of the Nasdaq Global Market because The Resource Group International Limited will own \_\_\_\_\_ % of our then outstanding common shares. See "Prospectus Summary—Controlled Company Status," "Principal and Selling Shareholders" and "Risk Factors—Risks Related to Our Common Shares and this Offering."**

Investing in our common shares involves substantial risk. Please refer to the "Risk Factors" on page [16](#).

	Per Share	Total
Initial public offering price	\$ _____	\$ _____
Underwriting discounts and commissions(1)	\$ _____	\$ _____
Proceeds to us, before expenses	\$ _____	\$ _____
Proceeds to selling shareholder, before expenses	\$ _____	\$ _____

(1) We have agreed to reimburse the underwriters for certain FINRA-related expenses. See "Underwriting."

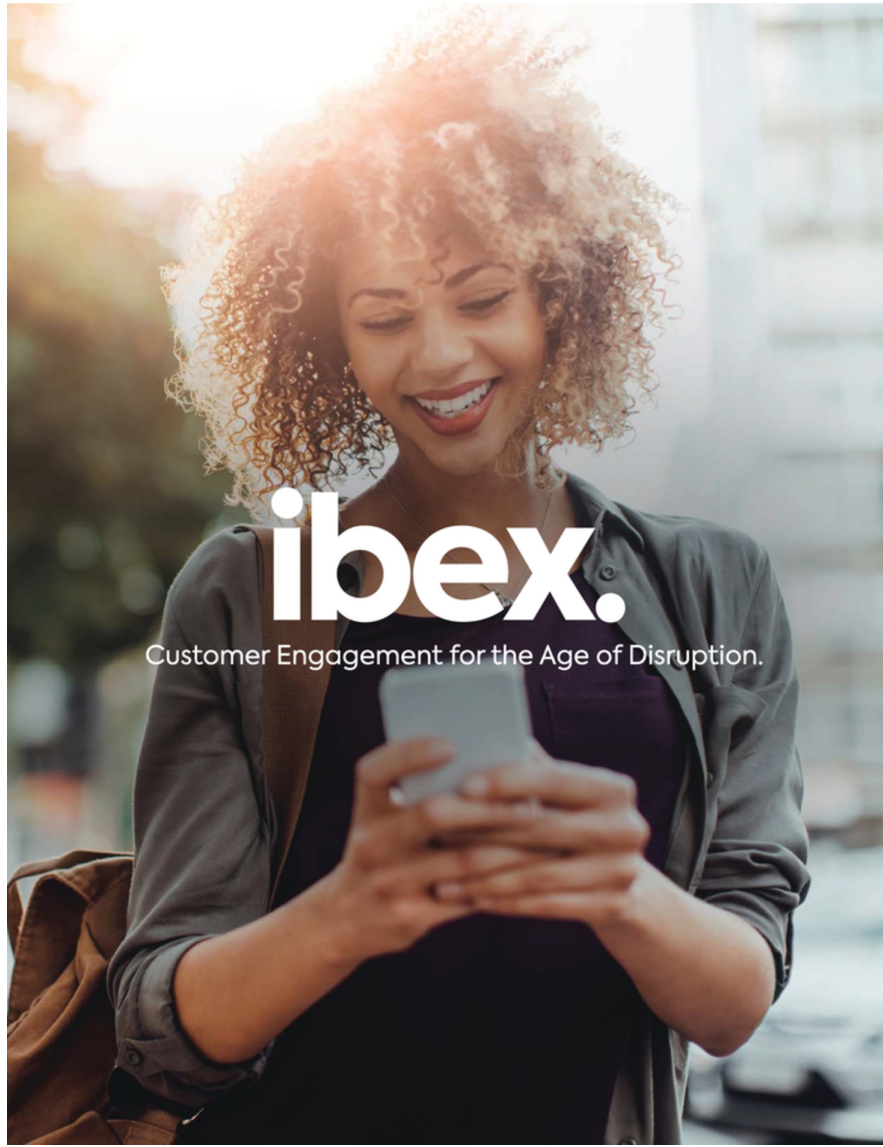
Delivery of the common shares is expected to be made on or about \_\_\_\_\_, 2018.

The selling shareholder has granted the underwriters a 30-day option to purchase up to an additional \_\_\_\_\_ common shares at the initial public offering price less underwriting discounts and commissions.

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

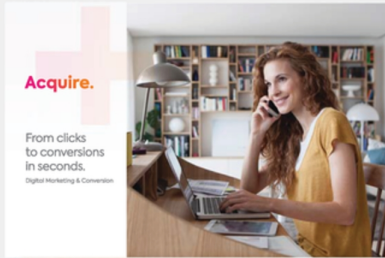
Baird Piper Jaffray William Blair SunTrust Robinson Humphrey

\_\_\_\_\_, 2018



**ibex.**  
Customer Engagement for the Age of Disruption.

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**Acquire.**

From clicks to conversions in seconds.  
Digital Marketing & Conversion

A woman in a yellow top is sitting at a desk, talking on a mobile phone while looking at a laptop. The background shows a modern office or home workspace with bookshelves.



**Engage.**

Worldwide customer conversations.  
Customer Sales & Support

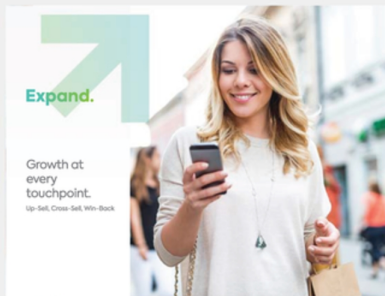
A man and a woman are sitting together on a couch, looking at a laptop. The man is pointing at the screen while the woman looks on attentively.

# Welcome to a new day of customer engagement.

introducing

# CLX

Meet CLX, the Customer Lifecycle Experience™ suite, a perfectly disruptive synthesis of people, technology, and expertise, dedicated to solving the dynamic customer acquisition, support, and engagement challenges of brands worldwide.



**Expand.**

Growth at every touchpoint.  
Up-Sell, Cross-Sell, Win-Back

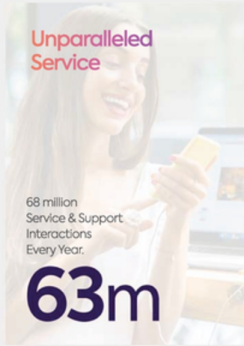
A woman with blonde hair is smiling and looking at her smartphone. She is wearing a white top and a necklace. The background is a blurred outdoor setting.



**Experience.**

Transformative brand experiences.  
Customer Experience & Delight

A person is sitting at a desk, looking at a laptop screen. The screen displays a dashboard with various charts and data points. The person's hands are visible on the keyboard.



**Unparalleled Service**

68 million Service & Support Interactions Every Year.

**63m**



**Revenue Generation**

Each year we add 2B in lifetime revenue for our clients

**2b**



**Worldwide Operations**

Operating in 30 countries

**30**



**New Business**

We generate 1M new lines of business for our clients yearly.

**1m**



**Our People**

15,000 employees worldwide

**15k**



**Millions Served**

We push 10M sales calls to our clients each year.


**10m**



## The Products that power our Solutions


# The Full Stack CLX Product Cloud.

The interconnected technologies that seamlessly support our CLX Solution Suite.



### CLX Convert.

Address-targeted Deals & Offers




Video from 210 a month  
34 Offices left, Atlanta

Internet from 15.99 a month  
34 Offices left, Atlanta

Video from 9.99 a month  
34 Offices left, Atlanta

### CLX Pulse.

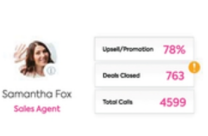
Closed-loop Customer Feedback Suite



Customer Satisfaction Survey

### CLX Sense.

Tools & Technologies for Superior Agent Productivity



Samantha Fox  
Sales Agent


Upsell/Promotion 78%

Deals Closed 763

Total Calls 4599

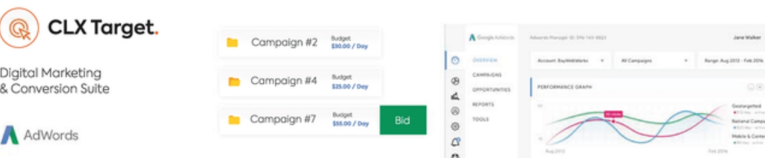
### CLX Signal.

The Business Intelligence and Analytics Backbone of the Entire CLX Suite



### CLX Target.

Digital Marketing & Conversion Suite



Campaign #2 Budget \$20.00 / Day


Campaign #4 Budget \$25.00 / Day

Campaign #7 Budget \$5.00 / Day Bid

AdWords


### CLX Trust.

Total Agent Monitoring & Data Security



### CLX Connect.

Omnichannel Customer Connection Technology





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*You should rely only on the information contained in this prospectus. Neither we nor the selling shareholder and the underwriters have authorized any other person to provide you with any information, or to make any representations, other than as contained in this prospectus, any amendment or supplement to this prospectus or any free writing prospectus prepared by us or on our behalf. None of us, the selling shareholder or the underwriters take responsibility for, and provide assurance as to, the reliability of any information or representations that others may give you. This prospectus is an offer to sell only the shares offered hereby, and only under circumstances and in jurisdictions where it is lawful to do so. The information contained in this prospectus is accurate only as of the date of this prospectus and we undertake no obligation to update such information, except as may be required by law.*

**PROSPECTUS SUMMARY**

*The items in the following summary are described in more detail later in this prospectus. This summary provides an overview of selected information and does not contain all the information you should consider. Therefore, you should also read the more detailed information set out in this prospectus and the financial statements. Some of the statements in this prospectus constitute forward-looking statements. See "Forward-Looking Statements."*

*Except where the context otherwise requires or where otherwise indicated, the terms "IBEX," "we," "us," "our," the "Company," the "Issuer" and "our business" refer to IBEX Holdings Limited, together with our consolidated subsidiaries.*

*This prospectus includes our trademarks as "IBEX", which are protected under applicable intellectual property laws and are the property of the Company or our subsidiaries. This prospectus also contains trademarks, service marks, trade names and copyrights of other companies, which are the property of their respective owners.*

**Overview**

We are a leading end-to-end provider of technology-enabled customer lifecycle experience ("CLX") solutions.

Through our integrated CLX platform, we offer a comprehensive portfolio of solutions to optimize customer acquisition, engagement, expansion and experience for our clients.

**Our CLX Suite of Solutions**

Customer Acquisition	Customer Management		
Acquire	Engage	Expand	Experience
<ul style="list-style-type: none"> <li>• Digital Marketing</li> <li>• Lead Generation</li> <li>• Online Sales</li> <li>• Optimization</li> <li>• Lead Conversion</li> </ul>	<ul style="list-style-type: none"> <li>• Customer Service</li> <li>• Billing Support</li> <li>• Technical Support</li> <li>• Multi-Lingual Omni-Channel</li> </ul>	<ul style="list-style-type: none"> <li>• Up-Sell / Cross-Sell</li> <li>• Retention</li> <li>• Renewals</li> <li>• Win-backs</li> </ul>	<ul style="list-style-type: none"> <li>• Multi-Channel Digital Surveys</li> <li>• Real Time Issue Resolution</li> <li>• Analytics &amp; Business Intelligence</li> <li>• Text / Sentiment Analytics</li> </ul>

Historically, these solutions were generally provided on a standalone basis and often as point solutions along the customer lifecycle. However, as the customer journey becomes more challenging, complex and competitive, these solutions are increasingly converged. In addition, due to the prevalence of immediate feedback channels, such as social media, customer expectations and behaviors are changing dramatically, forcing enterprises to increase their focus on understanding consumers' needs.

To meet this transformation, we have designed a differentiated suite of digital and omni-channel, customer-centric solutions that seamlessly manage interactions throughout all phases of the customer lifecycle. We leverage sophisticated technology and proprietary analytics, in combination with our global contact and delivery center footprint and business process outsourcing ("BPO") expertise, to protect and enhance our clients' brands and grow their businesses. Our global delivery network, which incorporates onshore, nearshore and offshore BPO capabilities, makes us flexible in deploying solutions that meet our clients' unique needs. We manage approximately 60 million interactions with consumers on behalf of our clients each year through an omni-channel approach, using voice, web, chat and email. Although traditional voice channels still account for a substantial majority of our revenues, digital channels (web, chat, email) are gaining relative importance. For all of our solutions, we are increasingly utilizing automation, machine learning and analytics to enhance and optimize our capabilities.

Our delivery centers are strategically located in labor markets with relatively low levels of resource competition, which enables us to attract, hire and retain a highly engaged, trained and motivated workforce, which results in high levels of customer experience and satisfaction.



Our clients consist primarily of Fortune 500 brands, across a broad range of industries, that have large customer bases that rely on outsourced providers to maximize customer retention and improve customer expansion. Increasingly, our client base includes faster growing brands in high-growth segments of our target markets, such as high-growth technology and consumer services. For the fiscal year ended June 30, 2017, our revenues were \$334.0 million, our net loss was \$9.0 million and our Adjusted EBITDA was \$16.2 million. For the fiscal year ended June 30, 2016, our revenues were \$323.0 million, our net profit was \$1.6 million and our Adjusted EBITDA was \$22.9 million. See "Reconciliation of Adjusted EBITDA to Net Profit / (Loss)" on page 13.

**Market Opportunity**

We estimate that the total current addressable market for our suite of CLX solutions is well over \$100 billion. We operate our business with two reporting segments, Customer Acquisition and Customer Management, under which we address the following market segments:

*Customer Acquisition*

Digital marketing, our key customer acquisition service, is one of the fastest growing segments of the media advertising industry. According to eMarketer, a leading market research company, \$35 billion is spent annually on paid search in North America, our primary digital marketing channel. This fast-growing market has primarily adopted a pay-for-performance business model in which advertisers only compensate marketers once a target consumer has taken a particular action such as filling out an information form or completing a purchase of a product or service. Because of this dynamic, marketers must utilize sophisticated data-driven solutions to place highly targeted, relevant and cost-effective ads in front of consumers that are most likely to make a purchase. Within the broader digital marketing universe, we adhere to the pay-for-performance pricing model with a focus on utilizing paid search to funnel high-quality leads to our sales agents, who convert leads into completed sales.

Included in our Customer Acquisition segment, we also provide digital insurance agency services for Medicare private health insurance policies which are sold on behalf of insurance carriers. Based on the national commission rate structure established by the Centers for Medicare and Medicaid Services ("CMS") for 2017, we estimate that total annual commissions payable to independent agents are up to \$8 billion.

*Customer Management*

- *Customer Engagement and Expansion* – BPO providers remain in high demand as clients continue to seek ways to scale their operations, lower costs and headcount and access best-in-class processes and technologies. International Data Corporation ("IDC"), a leading information technology research firm, estimates the worldwide BPO market was approximately \$180 billion in 2016 and expects it to grow to approximately \$228 billion by 2021. The BPO market consists of four key horizontal markets: customer care (our primary market within this segment), human resources, finance and accounting, and procurement. According to the IDC, customer care is the largest horizontal market with approximately \$66 billion of revenues in 2016, and is expected to grow to \$83 billion by 2021, representing a CAGR of 4.5%. Within the U.S., customer care BPO spend accounted for \$38 billion in 2016 and is expected to grow to \$45 billion in 2021.
- *Customer Experience Management* – With unprecedented access to technology, data and choices, customers have elevated expectations about being heard, as well as how companies take action and respond in real time. By listening to the "voice of the customer," enterprises gain valuable insights into a customer's journey and interactions with brands. As enterprises continue to emphasize customer experience as a key competitive differentiator, the market for customer experience solutions is expected to grow rapidly in the near future. According to Gartner, by 2020, more than 40% of all data and analytics projects are expected to relate to

customer experience.<sup>1</sup> MarketsandMarkets, a leading B2B market research firm, estimates that the global customer experience management market will grow at a 21% CAGR, from \$5 billion in 2016, to over \$13 billion in 2021, with North America representing approximately \$3 billion of market share in 2016.

#### *Key Market Trends*

A number of trends are driving growth and transformation in the CLX market, as well as a convergence of the market segments discussed above. We believe that clients are employing a “champion-challenger” model in their procurement of CLX services, in which nimbler, more innovative providers compete effectively against much larger vendors. Participants in the CLX market that have an integrated solution will be best positioned to address the following key industry trends:

- *Consumer Centricity* – Consumers expect that enterprises meet their needs and preferences instantaneously in return for brand loyalty and greater share of customer spend. Accordingly, enterprises are demanding outsourced customer engagement partners that can deliver customer-centric solutions.
- *Increased Role of Data and Analytics* – Enterprises are increasingly demanding that their CLX providers integrate data with their core service offerings to drive superior outcomes.
- *Increased Use of Outsourcing* – Enterprises continue to rely on CLX providers to address their needs related to the entire customer lifecycle. Mature companies seek to automate across business functions as their needs are becoming more diversified. Companies in emerging sectors continue to outsource due to their limited experience or resources to manage increasing volumes of customer interactions.
- *Integrated Technology Solutions for Mature Sectors* – Fortune 500 companies that historically utilized traditional live-agent, voice-based services are now integrating new technology-enabled solutions as they seek to achieve greater operational flexibility and innovate their service offerings.
- *Solutions Catered to High-Growth Sectors* – The challenges that new economy “disruptors” face consist largely of managing high growth within their customer base, while simultaneously maintaining a high-quality customer experience. In contrast to mature business models, these emerging companies have generally not focused on developing large-scale insourced customer operations; therefore, they rely almost exclusively on external partners that can deliver customer service, engagement and support while maintaining the quality of their brands.
- *Increased Use of Integrated Providers* – We believe clients sourcing multiple CLX solutions across the customer lifecycle from integrated providers will result in the volumes of business with such integrated providers of CLX solutions to increase.
- *Flexible Delivery Model* – Clients are increasingly differentiating among providers based on availability of a flexible delivery model that can offer a mix of onshore, nearshore and / or offshore capabilities.

#### **Our Solution**

We work closely with our clients to optimize customer acquisition, engagement, expansion and experience by offering technology-enabled solutions through our integrated CLX platform. Our solutions help our clients protect and enhance their brands, grow their customer bases, retain their customers, and maximize customer lifetime value. Our comprehensive offering of end-to-end solutions drives deep customer integration and long-term trusted relationships with our clients. Our solutions address the full customer lifecycle delivered through our Customer Acquisition and Customer Management segments.

#### *Customer Acquisition*

In our Customer Acquisition segment, we work with consumer-facing businesses to acquire customers for them. We are typically compensated by our clients on a pay-per-performance basis, where we earn a commission upon the

<sup>1</sup>. Gartner Inc., “Shape the Future of Customer Experience with Customer Analytics,” dated April 25, 2017. See “Market and Industry Data” for information regarding the industry data used in this prospectus.

successful addition of a new customer. Most of our customer acquisition solutions involve two steps: (a) generating or purchasing a lead or a prospect, and (b) converting that lead or prospect into a customer, most frequently through a voice-based channel.

#### *Customer Management*

Our Customer Management segment includes our Customer Engagement, Customer Expansion and Customer Experience solutions.

- *Customer Engagement* – Our customer engagement solution is comprised of customer service (providing information about our clients and their products or services), technical support (providing specialized teams to provide information, assistance and technical guidance to our clients' customers on a specific product or service) and other value-added outsourced back office services (finance and accounting, marketing support, sales operations, HR administration). This solution is delivered through our digital and omni-channel platform, which integrates voice, email, chat, SMS, social media and other communication applications.
- *Customer Expansion* – Our customer expansion solution builds on our customer engagement solution, combining our traditional BPO solutions with our sales and acquisition-oriented delivery center capability to allow our existing clients to further mine their current customer base. Offerings within this solution include cross-selling and up-selling our clients' products and services, maximizing customer retention and winning back customers that have transitioned away from our clients.
- *Customer Experience* – We have developed a comprehensive suite of proprietary software tools to measure, monitor and manage our clients' customer experience. By applying these tools, we enable our clients to improve retention of their customers, identify and manage service issues in real time, predict future behavior and enhance overall customer satisfaction. Our platform includes management of omni-channel surveys, interactive artificial intelligence, text analytics and sentiment analysis, a business intelligence suite and case management capabilities.

Over the past five years, we have invested significant resources into building and deploying a scalable CLX platform, which includes next-generation software products and modules, deployed across the full customer lifecycle journey, driving revenue growth, productivity improvements, experience enhancement and competitive differentiation. We believe that we have built an industry-leading, comprehensive suite of software products and applications, deployed at enterprise scale across multiple industries along the full consumer lifecycle. We use technology to enable growth and engender client loyalty. Our technology innovations make our CLX solutions highly-respected in the marketplace.

Additionally, our business is highly data intensive, and as a result, we have collected datasets from more than 237 million customer interactions over the past five years. We overlay our proprietary datasets with third-party data and other available data to derive insights into customer behaviors and preferences, which in turn optimizes our solutions and enables enhanced delivery of our services.

In connection with the Reorganization Transaction and the repositioning of our brand, we utilize three sub-brands to deliver our solutions. IBEX Interactive represents our historical IBEX Global Solutions, DGS and iSky entities. IBEX Insurance represents Etelequote Limited. IBEX Digital represents the predecessor companies of DGS Limited.

#### **Our Strengths**

We believe that our position as a leading provider of technology-enabled CLX solutions is a result of several key competitive strengths, including:

- *Provider of end-to-end customer lifecycle experience solutions* – The customer lifecycle, from acquisition to retention, has become more challenging, complex and competitive for enterprises to manage. We have designed a differentiated suite of solutions that seamlessly manages interactions throughout all phases of the customer lifecycle.

- *Demonstrated ability to combine technology and services* – Our CLX platform combines our proprietary technology with our omni-channel service delivery model to provide clients differentiated solutions at a large scale. Our proprietary technology allows us to provide innovative, automated and customizable solutions to our clients more efficiently than if delivered through a purely service-based model.
- *Proven expertise in mature industries* – We believe that we have built a deep level of expertise in serving clients in mature industries, including the telecommunications, cable, insurance and automotive sectors. We believe that we are able to provide value at all stages of the customer lifecycle for these industries, from lowering the cost of customer acquisition to increasing customer lifetime value through improved retention and increased up-sell.
- *Growing expertise in serving clients in emerging and high-growth industries* – More recently, we have developed an expertise and competitive advantage in several rapidly growing key market segments. These include the emerging and high-growth technology and consumer services sectors, along with the Medicare private health insurance market. Emerging and high-growth companies are focused on partners that can help them rapidly scale their customer service offerings to facilitate their rapid growth while providing customers with a positive customer experience with their brand.
- *Global delivery capabilities* – Our global delivery model encompasses onshore, nearshore and offshore delivery capabilities. We seek to operate state-of-the-art facilities in labor markets that are underpenetrated in order to maintain our competitive advantage, retain our position in those labor markets as an employer of choice and deliver a highly scalable and cost-effective solution to our clients. This delivery model allows us to offer our clients customized solutions providing resources in a mix of geographic locations that best meet their business demands.
- *Innovative and entrepreneurial culture* – We believe that we have a distinctive corporate culture characterized by innovation, speed and organizational nimbleness. Our innovative and entrepreneurial culture is a key differentiator and gives us a competitive advantage in delivering high-quality solutions to clients around the globe. In addition, we believe we have established a strong corporate culture that is critical to our ability to recruit, engage, motivate, manage and retain our talented global workforce of over 15,000 employees across all offices.

#### **Our Growth Strategy**

Our goal is to become a key strategic partner to both mature and high-growth companies that require outsourced CLX solutions. Our growth model is designed to deploy a “land and expand” approach by targeting and expanding with large, global enterprises. Specific elements of our strategy include:

- *Expand with existing clients* – Our client base is comprised of large, global brands that have multiple lines of business across multiple geographies. We have demonstrated our ability to expand with our clients by adding new geographies or additional business segments to our scope of service; in many instances, we are taking market share due to our ability to outperform our competitors through our superior execution. We believe that we have significant opportunities to support future growth at each of our existing clients.
- *Continue winning new client engagements* – Our new client growth strategy is defined by targeting both established, leading global brands and emerging, high-growth brands that can benefit from our solutions. We appeal to these clients through our ability to improve growth, maximize customer retention and enhance brand loyalty.
- *Cross-sell our full spectrum lifecycle solution* – The breadth of our solutions over the full customer lifecycle creates the ability to cross-sell each solution throughout our client base. Most of these clients currently source a narrower set of services from us, such as technical support or customer acquisition, and we believe that large enterprise clients focused on their customer experience are increasingly seeking providers offering a broader range of customer lifecycle services.

- *Expand geographically* – By expanding geographically, we will support our growth both by attracting and winning new clients, as well as expanding and growing with existing clients. We seek to establish new delivery centers in underpenetrated labor markets, which will allow us to retain a competitive edge, attract and retain the necessary workforce, and deliver a highly scalable and cost effective solution to our clients.
- *Pursue strategic acquisitions* – Our acquisition strategy targets situations in which it is optimal to acquire versus build. It will primarily be focused on adding additional omni-channel capabilities, providing access to new geographies and acquiring technologies that further differentiate our solutions.

#### **Risk Factors**

Investing in our ordinary shares involves a significant degree of risk. See "Risk Factors" beginning on page [16](#) of this prospectus for a discussion of factors you should carefully consider before deciding to invest in our ordinary shares. These risks include:

- Our business is dependent on key clients, and the loss of a key client could adversely affect our business and results of operations;
- We enter into multi-year contracts with our clients. Our failure to price these contracts correctly may negatively affect our profitability;
- The terms of our client contracts may limit our profitability or enable our clients to reduce or terminate their use of our solutions;
- The consolidation of our clients or potential clients may adversely affect our business, financial condition, results of operations and prospects;
- If our clients decide to enter into or further expand their insourcing activities in the future, or if current trends toward outsourcing services and / or outsourcing activities are reversed, it may materially adversely affect our business, results of operations, financial condition and prospects;
- We have a limited operating history as an integrated company under the IBEX brand, which makes it difficult to evaluate our future prospects and the risks and uncertainties we may encounter;
- Portions of our business have long sales cycles, which require management bandwidth, significant financial resources and long implementation cycles that require significant resources and working capital;
- Our business relies heavily on technology, telephony and computer systems as well as third party telecommunications providers, which subjects us to various uncertainties;
- Our business is heavily dependent upon our international operations, particularly in Pakistan and the Philippines and increasingly in Jamaica, and any disruption to those operations would adversely affect us;
- The inelasticity of our labor costs relative to short-term movements in client demand could adversely affect our business, financial condition and results of operations;
- We have identified material weaknesses in our internal control over financial reporting and, if we fail to promptly remediate our current material weaknesses or if we are unable to implement and maintain effective internal control over financial reporting in the future, our results of operations and the price of our common shares could be adversely affected; and
- Our largest shareholder, TRGI, and its major shareholder, TRG Pakistan Limited, will continue to have substantial control over us after this offering and could limit your ability to influence the outcome of key transactions, including any change of control.

#### **Company History and Structure**

Prior to June 30, 2017, our business was conducted through various wholly- or majority-owned portfolio companies of TRGI, which we refer to as the Continuing Business Entities. The predecessor companies for our Customer Engagement and Customer Expansion solutions were established in 1996 and acquired by TRGI in 2004. The predecessor company for our Customer Experience solution was established in 1984 and acquired by TRGI in 2004. The predecessor company for our Customer Acquisition business (other than our Medicare insurance agency

division) was founded as a subsidiary of TRGI in 2008. The predecessor company for our Medicare insurance agency division was established in 2005, acquired by TRGI in 2006 (at which time its operations were focused mainly on outsourcing services) and shifted its business to an insurance agency model in 2011.

TRGI incorporated Forward March Limited on February 28, 2017 as an exempted company with limited liability under the laws of Bermuda. On June 30, 2017, TRGI completed the Reorganization Transaction, as a result of which the Continuing Business Entities became the subsidiaries of IBEX Holdings Limited. For more information on the Reorganization Transaction and our corporate group, see "Certain Relationships and Related-Party Transactions— Reorganization Transaction." Forward March Limited changed its corporate name to IBEX Holdings Limited effective on September 15, 2017.

Our management considers the pooling-of-interests method of accounting to be appropriate to account for the combination of various subsidiaries controlled by TRGI with IBEX Holdings Limited. As a result, IBEX Holdings Limited and its subsidiaries are presented as if they have legally been a group of companies for all periods presented. For further information on our application of the pooling-of-interests method of accounting, see Note 2.2 (basis of accounting and presentation) to our audited consolidated financial statements included elsewhere in this prospectus.

We maintain a registered office located at Crawford House, 50 Cedar Avenue, Hamilton HM11 Bermuda, and the telephone number for this office is (441) 295-6500. Our website address is <http://www.ibex.co>. The information contained on, or accessible through, our website is not a part of this prospectus, and you should only rely on the information contained in this prospectus when making a decision as to whether to invest in our common shares.

#### **Emerging Growth Company**

The Jumpstart Our Business Startups Act (the "JOBS Act") was enacted in April 2012 with the intention of encouraging capital formation in the United States and reducing the regulatory burden on newly public companies that qualify as emerging growth companies. We are an emerging growth company within the meaning of the JOBS Act. As an emerging growth company, we may take advantage of certain exemptions from various public reporting requirements, including the requirement that we provide more than two years of audited financial statements and related management's discussion and analysis of financial condition and results of operations, that our internal control over financial reporting be audited by our independent registered public accounting firm pursuant to Section 404 of the Sarbanes-Oxley Act of 2002 (the "Sarbanes-Oxley Act"), that we provide certain disclosures regarding executive compensation, and that we hold nonbinding stockholder advisory votes on executive compensation and any golden parachute payments not previously approved. We may take advantage of these exemptions until we are no longer an emerging growth company.

In addition, under the JOBS Act, emerging growth companies can delay adopting new or revised accounting standards until such time as those standards apply to private companies. We intend to take advantage of the longer phase-in periods for the adoption of new or revised financial accounting standards under the JOBS Act until we are no longer an emerging growth company. Our election to use the phase-in periods permitted by this election may make it difficult to compare our financial statements to those of non-emerging growth companies and other emerging growth companies that have opted out of the longer phase-in periods permitted under the JOBS Act and who will comply with new or revised financial accounting standards. If we were to subsequently elect instead to comply with public company effective dates, such election would be irrevocable pursuant to the JOBS Act.

We will remain an emerging growth company until the earliest to occur of (i) the last day of the fiscal year in which we have more than \$1.07 billion in annual revenues; (ii) the date on which we become a "large accelerated filer" (the fiscal year-end on which at least \$700 million of equity securities are held by non-affiliates as of the last day of our then most recently completed second fiscal quarter); (iii) the date on which we have issued, in any three-year period, more than \$1.0 billion in non-convertible debt securities; and (iv) the last day of the fiscal year ending after the fifth anniversary of the completion of this offering.

See the section titled “Risk Factors—Risks Related to Our Common Shares and this Offering.” We are an “emerging growth company” and the reduced disclosure requirements applicable to emerging growth companies may make our common shares less attractive to investors due to certain risks related to our status as an emerging growth company.

**Controlled Company Status**

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

**Basis of Presentation and Other Information**

We present our historic financial information under International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (the “IASB”) (which we refer to as “IFRS as issued by the IASB”). Our audited consolidated financial statements are prepared and presented in U.S. dollars which is the functional and presentation currency of IBEX Holdings Limited. In this prospectus, all references to “U.S. dollar” and “\$” are to the lawful currency of the United States, and all references to Pakistani Rupee (“PKR”) and Philippine Peso (“PHP”) are to the lawful currencies of Pakistan and the Philippines, respectively. Certain numerical figures set out in this prospectus, including financial data presented in millions or thousands and percentages, have been subject to rounding adjustments, and, as a result, the totals of the data in this prospectus may vary slightly from the actual arithmetic totals of such information.

## THE OFFERING

### Common Shares offered

By us:	shares
By the Selling Shareholder:	shares
Total:	shares

Common Shares to be outstanding immediately following this offering: shares

**Option to Purchase Additional Shares:** The selling shareholder has granted the underwriters an option to purchase an additional shares to cover over-allotments. The underwriters may exercise this option at any time within 30 days from the date of this prospectus.

### Use of Proceeds

We estimate that the net proceeds to us from this offering, after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us, will be approximately \$ million, assuming an initial public offering price of \$ per share, which is the midpoint of the price range set forth on the cover page of this prospectus.

The principal purposes of this offering are to increase our capitalization and financial flexibility, enhance our visibility in the marketplace, create a public market for our common shares and fund growth initiatives. We intend to use approximately \$36.9 million of the net proceeds that we receive from this offering to: (i) redeem 1,538,462 non-convertible redeemable senior preferred shares of our subsidiary Etelequote Limited for an aggregate redemption price of approximately \$20.0 million, (ii) repay approximately \$6.8 million of principal and accrued unpaid interest on the outstanding 15.0% convertible loan notes of Etelequote Limited held by TRGI, (iii) repay approximately \$9.1 million principal amount of senior secured notes of our subsidiary e-TeleQuote Insurance, Inc. and (iv) the repayment of approximately \$1.0 million of principal and accrued unpaid interest on the outstanding 15.0% promissory note of Etelequote Limited held by TRGI. We will use the remaining net proceeds from this offering for working capital, capital expenditures, future strategic acquisitions of, or investments in, other businesses or technologies that we believe will complement our current business and expansion strategies (although we have no binding obligations to enter into any such acquisitions or investments) and other general corporate purposes. See "Use of Proceeds" and "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Financing Arrangements."



<b>Dividend Policy:</b>	We will not receive any proceeds from the sale of common shares by the selling shareholder. We have never declared or paid any dividends on our common shares, and we currently do not plan to declare dividends on our common shares in the foreseeable future. See "Dividend Policy."
<b>Lock-Up Agreements:</b>	We, our directors, executive officers and all of our existing shareholders and option holders have agreed with the underwriters, subject to certain exceptions, not to sell, transfer or dispose of any of our shares or similar securities for 180 days after the date of this prospectus. See "Underwriting."
<b>Directed Share Program:</b>	At our request, the underwriters have reserved up to 5.0% of the common shares being sold in this offering for sale to certain of our business associates, officers, directors, certain of their family members and others at the initial public offering price through a directed share program. The number of shares available for sale to the general public in this offering will be reduced to the extent that these reserved shares are purchased by these persons. Any reserved shares not purchased by these persons will be offered by the underwriters to the general public on the same basis as the other shares in this offering.
<b>Listing:</b>	We intend to apply to list our common shares on the Nasdaq Global Market under the symbol "IBEX."
<b>Risk Factors:</b>	See "Risk Factors" and other information included in this prospectus for a discussion of factors you should carefully consider before deciding to invest in our company shares.
The number of our common shares to be issued and outstanding after this offering is based on 7,750,141 shares issued and outstanding as of June 30, 2017, and excludes:	
<ul style="list-style-type: none"><li>• 2,007,498 common shares available for future issuance as of June 30, 2017 under our 2017 Stock Plan; and</li><li>• 1,611,944 common shares issuable upon exercise of a warrant issued to Amazon.com NV Investment Holdings LLC.</li></ul>	
Except as otherwise indicated, all information in this prospectus assumes:	
<ul style="list-style-type: none"><li>• an initial public offering price of \$        per share, the offering price set forth on the cover page of this prospectus;</li><li>• the automatic conversion of 4,749,861 preferred shares held by TRGI into an equivalent number of our common shares, the conversion of which will occur upon completion of this offering; and</li><li>• no exercise of the underwriters' option to purchase up to an additional        shares.</li></ul>	

**SUMMARY CONSOLIDATED HISTORICAL FINANCIAL INFORMATION**

The following summary consolidated historical financial and other data of IBEX Holdings Limited should be read in conjunction with, and are qualified by reference to, "Management's Discussion and Analysis of Financial Condition and Results of Operations," "Selected Consolidated Historical Financial Information" and our audited consolidated financial statements included elsewhere in this prospectus. The summary consolidated historical financial data as of June 30, 2016 and 2017 and for the years then ended are derived from the audited consolidated financial statements of IBEX Holdings Limited included elsewhere in this prospectus and should be read in conjunction with those audited consolidated financial statements. Our historical results are not necessarily indicative of the results that may be expected for any future period.

	Fiscal Year Ended June 30,	
	2016	2017
(in thousands, except share and per share amounts)		
<b>Statements of Comprehensive Income Data:</b>		
Revenue	\$ 323,016	\$ 334,034
Other operating income	635	508
Employee benefits expenses <sup>(1)</sup>	(217,810)	(227,553)
Reseller commission and lead expenses	(30,123)	(34,809)
Depreciation and amortization	(12,655)	(13,832)
Other operating expenses	(54,501)	(60,673)
Operating profit / (loss)	8,562	(2,325)
Finance expenses	(5,130)	(6,393)
Profit / (loss) before taxation	3,432	(8,718)
Income tax expense	(1,861)	(295)
Net profit / (loss) for the year	\$ 1,571	\$ (9,013)
Earnings / (loss) per share attributable to equity ordinary holders of the parent - basic and diluted <sup>(2)</sup>	\$ 0.18	\$ (0.62)
Weighted average number of shares outstanding - basic and diluted	12,500,002	12,500,002
Unaudited pro forma net profit / (loss) <sup>(3)</sup>	4,888	(4,002)
Unaudited pro forma net profit / (loss) per share attributable to equity holders of the parent - basic and diluted <sup>(4)</sup>		
Unaudited pro forma weighted average number of shares outstanding - basic and diluted <sup>(4)</sup>		
<b>Statements of Financial Position Data:</b>		
Cash and cash equivalents	\$ 9,451	\$ 21,321
Total assets	138,439	152,230
Borrowings current	28,377	41,597
Convertible loan note - related party	18,169	1,700
Borrowings non-current	12,205	14,651
Total non-current liabilities	19,298	23,607
Total liabilities	118,692	123,492
Total equity	19,747	28,738
<b>Statements of Cash Flows Data:</b>		
Net cash inflow from operating activities	\$ 3,042	\$ 6,646
Net cash used in investing activities	\$ (11,583)	\$ (9,754)
Net cash inflow from financing activities	\$ 12,188	\$ 14,976

	Fiscal Year Ended June 30,	
	2016	2017
	(in thousands, except share and per share amounts)	
<b>Other Financial and Operating Data:</b>		
Revenue from Customer Management segment	\$ 259,093	\$ 256,918
Revenue from Customer Acquisition segment	\$ 63,923	\$ 77,116
Adjusted EBITDA (unaudited) <sup>(5)</sup>	\$ 22,902	\$ 16,235
Adjusted EBITDA Margin (unaudited) <sup>(6)</sup>	7.1%	4.9%
Net Debt (unaudited) <sup>(7)</sup>	\$ 49,300	\$ 36,627
<p>(1) Mohammed Khaishgi, who has served as our chief executive officer since September 2017, did not serve in this capacity during the fiscal years ended June 30, 2016 and 2017 as he had other responsibilities within TRGI. Accordingly, the amounts reflected above for employee benefits expenses exclude compensation expense for Mr. Khaishgi.</p> <p>(2) See Note 24 to our audited consolidated financial statements included in this prospectus for additional information regarding the calculation of basic and diluted earnings / (loss) per share attributable to equity holders of the parent.</p> <p>(3) Unaudited pro forma net loss gives effect to (i) the automatic conversion of 4,749,861 preferred shares held by TRGI into an equivalent number of our common shares upon completion of this offering, (ii) the redemption of 1,538,462 non-convertible redeemable senior preferred shares of our subsidiary Etelequote Limited for an aggregate redemption price of approximately \$20.0 million, (iii) the repayment of approximately \$6.8 million of principal and accrued unpaid interest on the outstanding 15.0% convertible loan notes of Etelequote Limited held by TRGI, (iv) the repayment of approximately \$9.1 million principal amount of senior secured notes of our subsidiary e-TeleQuote Insurance, Inc. and (v) the repayment of approximately \$1.0 million of principal and accrued unpaid interest on the outstanding 15.0% promissory note of Etelequote Limited held by TRGI.</p> <p>(4) Unaudited pro forma weighted average number of shares outstanding—basic and diluted give effect to (i) the automatic conversion of 4,749,861 preferred shares held by TRGI into an equivalent number of our common shares upon completion of this offering and (ii) the cancellation of the outstanding options under the legacy equity incentive plans of the Continuing Business Entities and grant of options to purchase common shares under the 2017 Stock Plan with a weighted-average exercise price of \$ per share. See Note 24 to our audited consolidated financial statements included in this prospectus for additional information regarding the calculation of basic and diluted earnings / (loss) per share attributable to equity holders of the parent and weighted average number of shares outstanding - basic and diluted.</p> <p>(5) We define "EBITDA" as net profit / (loss) before finance costs, income tax (credit) / expense, depreciation and amortization. We define "Adjusted EBITDA" as EBITDA before the effect of the following items: AIM delisting expenses, litigation and settlement expenses, foreign exchange losses, goodwill impairment, other income and share-based payment. We use Adjusted EBITDA internally to establish forecasts, budgets and operational goals to manage and monitor our business, as well as evaluate our underlying historical performance. We believe that Adjusted EBITDA is a meaningful indicator of the health of our business as it reflects our ability to generate cash that can be used to fund recurring capital expenditures and growth. Adjusted EBITDA also disregards non-cash or non-recurring charges that we believe are not reflective of our long-term performance. We also believe that Adjusted EBITDA is widely used by investors, securities analysts and other interested parties as a supplemental measure of performance and liquidity.</p> <p>Adjusted EBITDA may not be comparable to other similarly titled measures of other companies and has limitations as an analytical tool and should not be considered in isolation or as a substitute for analysis of our operating results as reported under IFRS as issued by the IASB. Some of these limitations are as follows:</p>		

- although depreciation and amortization expense is a non-cash charge, the assets being depreciated and amortized may have to be replaced in the future, however, Adjusted EBITDA does not reflect cash capital expenditure requirements for such replacements or for new capital expenditure requirements;
- Adjusted EBITDA is not intended to be a measure of free cash flow for management's discretionary use, as it does not reflect: (i) changes in, or cash requirements for, our working capital needs; (ii) debt service requirements; (iii) tax payments that may represent a reduction in cash available to us; and (iv) other cash costs that may recur in the future;
- other companies, including companies in our industry, may calculate Adjusted EBITDA or similarly titled measures differently, which reduces its usefulness as a comparative measure.

Because of these and other limitations, you should consider Adjusted EBITDA along with other IFRS-based financial performance measures, including cash flows from operating activities, investing activities and financing activities, net profit / (loss) and our other IFRS financial results.

The following table provides a reconciliation of Adjusted EBITDA to net profit / (loss):

	Fiscal Year Ended June 30,	
	2016	2017
	(unaudited)	
	\$ in thousands	
<b>Reconciliation of Adjusted EBITDA to Net Profit / (Loss)</b>		
Net profit / (loss) for the year	\$ 1,571	\$ (9,013)
Finance costs	5,130	6,393
Income tax expense	1,861	295
Depreciation and amortization	12,655	13,832
<b>EBITDA</b>	<b>\$ 21,217</b>	<b>\$ 11,507</b>
Non-recurring expenses <sup>(a)</sup>	\$ 345	\$ 5,393
Foreign exchange losses	90	422
Goodwill impairment <sup>(b)</sup>	1,426	54
Other income <sup>(c)</sup>	(1,256)	(1,416)
Share-based payment	1,080	275
<b>Adjusted EBITDA</b>	<b>\$ 22,902</b>	<b>\$ 16,235</b>

- (a) Represents expenses of \$1.0 million incurred to delist the shares of IBEX Global Solutions Ltd. and Digital Globe Services, Ltd. from the AIM segment of the London Stock Exchange. Also represents litigation and settlement costs and accruals for several litigation matters, consisting of \$2.1 million (2017) in legal and settlement costs for a legal proceeding brought against DGS EDU LLC, and \$2.0 million (2017) in legal and settlement costs and accruals for legal proceedings brought against IBEX Global Solutions, with the bulk of such expenses arising out of a class action lawsuit currently pending in the United States federal district court of Tennessee. See "Business—Legal Proceedings."
- (b) The \$54,000 impairment loss recognized in the fiscal year ended June 30, 2017 related to the closure in December 2016 of a facility acquired by a DGS cash-generating unit. The \$1.4 million impairment loss recognized in the fiscal year ended June 30, 2016 related to the write-off of the goodwill attributable to the DGS EDU LLC business.
- (c) Represents non-recurring income attributable to a now-expired arrangement under which TRGI reimbursed for the purchase of certain software that was also used by other TRGI group companies.

- (6) We calculate "Adjusted EBITDA Margin" as Adjusted EBITDA divided by revenues.
- (7) We calculate "Net Debt" as total borrowings less cash and cash equivalents. Net debt excludes 1,538,462 senior preferred shares at June 30, 2017, which are mandatorily redeemable on or before June 6, 2018 at a redemption price of \$13.00 per share upon the event of a public offering of IBEX Holdings Limited, to the extent of the proceeds of such an offering. The following table provides a reconciliation of total borrowings to Net Debt:

	Fiscal Year Ended June 30,	
	2016	2017
(unaudited)		
\$ in thousands		
<b>Net Debt Reconciliation</b>		
Borrowings - non current	\$ 12,205	\$ 14,651
Borrowings - current	28,377	41,597
Convertible loan note - related party	18,169	1,700
	<b>\$ 58,751</b>	<b>\$ 57,948</b>
Less: Cash and cash equivalents	9,451	21,321
<b>Net Debt</b>	<b>\$ 49,300</b>	<b>\$ 36,627</b>

**RECENT DEVELOPMENTS**

On November 13, 2017, we issued to Amazon.com NV Investment Holdings LLC, a subsidiary of Amazon.com, Inc. ("Amazon"), a 10-year warrant to acquire 1,611,944 of our common shares, representing 10.0% of our equity on a fully diluted and as-converted basis as of the date of issuance of the warrant. The warrant is exercisable, either for cash or on a net issuance basis, at a price per share equal to the initial public offering per share in this offering.

The common shares subject to the warrant vest on an incremental basis upon the satisfaction of specified milestones that are tied to payments made by Amazon in connection with the purchase of services from us during a seven and a half year period ending on June 30, 2024, and the warrant will become fully vested when a cumulative total of \$600.0 million is paid by Amazon to us during this period. The vesting is partially accelerated in the event of a reorganization transaction (as defined in the warrant).

The exercise price and the number of common shares issuable upon exercise of the warrant are subject to customary anti-dilution adjustments.

Amazon is entitled to customary shelf and piggy-back registration rights with respect to the common shares issued upon exercise of the warrant. Amazon may not transfer the warrant except to a wholly-owned subsidiary of Amazon.

On December 22, 2017, all of our predecessor stock options were cancelled, and we issued 1,681,901 stock options under the 2017 Plan (as defined below).

## RISK FACTORS

*This offering and an investment in our common shares involve a significant degree of risk. You should carefully consider the risks described below, together with the financial and other information contained in this prospectus, before you decide to purchase our common shares. If any of the following risks actually occurs, our business, financial condition, results of operations, cash flow and prospects could be materially and adversely affected. As a result, the trading price of our common shares could decline and you could lose all or part of your investment in our common shares.*

### **Risks Related to Our Business**

***Our business is dependent on key clients, and the loss of a key client could adversely affect our business and results of operations.***

We derive a substantial portion of our revenues from a few key clients. Our top three clients accounted for 63.1% and 58.4% of our revenues for the fiscal years ended June 30, 2016 and 2017, respectively. Three of our clients each represented greater than 10.0% of our revenues during each of those periods. Our largest client was responsible for 32.5% and 25.7% of our total revenues for the fiscal years ended June 30, 2016 and 2017, respectively. Our second largest client was responsible for 15.8% and 19.9% of our total revenues for the fiscal years ended June 30, 2016 and 2017, respectively. Our third largest client was responsible for 14.8% and 12.7% of our total revenues for the fiscal years ended June 30, 2016 and 2017, respectively. The loss of business with or the failure to retain a significant amount of business with any of our key clients could have a material adverse effect on our business, financial condition and results of operations.

***We enter into multi-year contracts with our clients. Our failure to price these contracts correctly may negatively affect our profitability.***

The pricing of our solutions is usually included in statements of work entered into with our clients, many of which are for terms of two to five years. In certain cases, we have committed to pricing over this period with limited to no sharing of risks regarding inflation and currency exchange rates. In addition, we are obligated under some of our contracts to deliver productivity benefits to our clients, such as reduction in handle time or speed to answer. If we fail to accurately estimate future wage inflation rates, unhedged currency exchange rates or our costs, or if we fail to accurately estimate the productivity benefits we can achieve under a contract, it could have a material adverse effect on our business, results of operations and financial condition.

***The terms of our client contracts may limit our profitability or enable our clients to reduce or terminate their use of our solutions.***

Most of our client contracts do not have minimum volume requirements, and the profitability of each client contract or work order may fluctuate, sometimes significantly, throughout various stages of the program. Certain contracts have performance-related bonus (penalty) provisions that require the client to pay us a bonus (require us to issue the client a credit) based upon our meeting (failing to meet) agreed-upon service levels and performance metrics. In addition, certain of our client contracts may subject us to potential liability and / or rebate payments in certain circumstances. Moreover, although our objective is to sign multi-year agreements, our contracts generally allow the client to terminate the contract for convenience or reduce their use of our solutions. There can be no assurance that our clients will not terminate their contracts before their scheduled expiration dates, that the volume of services for these programs will not be reduced, that we will be able to avoid penalties or earn performance bonuses for our solutions, or that we will be able to terminate unprofitable contracts without incurring significant liabilities. For these reasons, there can be no assurance that our client contracts will be profitable for us or that we will be able to achieve or maintain any particular level of profitability through our client contracts.

***The consolidation of our clients or potential clients may adversely affect our business, financial condition, results of operations and prospects.***

Consolidation of the potential users of our solutions, particularly those in the telecommunications, technology, cable and insurance industries, may decrease the number of clients who contract our solutions. Any significant reduction in or elimination of the use of the solutions we provide as a result of consolidation would result in reduced net revenue to us and could harm our business. Such consolidation may encourage clients to apply increasing pressure on us to lower the prices we charge for our solutions, which could have a material adverse effect on our business, financial condition, results of operations and prospects.

***If our clients decide to enter into or further expand insourcing activities in the future, or if current trends toward outsourcing services and/or outsourcing activities are reversed, it may materially adversely affect our business, results of operations, financial condition and prospects.***

Our current agreements with our clients do not prevent our clients from insourcing services that are currently outsourced to us, and none of our clients have entered into any non-compete agreements with us. Our current clients may seek to insource services similar to those we provide. Any decision by our key clients to enter into or further expand insourcing activities in the future could cause us to lose a significant volume of business and may materially adversely affect our business, financial condition, results of operations and prospects.

Moreover, the trend towards outsourcing business processes may not continue and could be reversed by factors beyond our control, including negative perceptions attached to outsourcing activities or government regulations against outsourcing activities. Current or prospective clients may elect to perform such services in-house that may be associated with using an offshore provider. Political opposition to outsourcing services and / or outsourcing activities may also arise in certain countries if there is a perception that such actions have a negative effect on domestic employment opportunities.

In addition, our business may be adversely affected by potential new laws and regulations prohibiting or limiting outsourcing of certain core business activities of our clients in key jurisdictions in which we conduct our business, such as in the United States. The introduction of such laws and regulations or the change in interpretation of existing laws and regulations could adversely affect our business, financial condition, results of operations and prospects.

***We have a limited operating history as an integrated company under the IBEX brand, which makes it difficult to evaluate our future prospects and the risks and uncertainties we may encounter.***

Prior to June 30, 2017, our business was conducted through the Continuing Business Entities. In 2017, TRGI completed the Reorganization Transaction, pursuant to which the Continuing Business Entities became wholly-owned subsidiaries of our parent company. Although our subsidiaries have individually conducted operations for years, we have a limited history operating the Continuing Business Entities as an integrated business under the IBEX brand, which make it difficult to evaluate our future prospects and the risks and uncertainties we may encounter in seeking to execute on our strategies. These risks and uncertainties include our ability to:

- cross-sell our full spectrum of CLX solutions;
- educate the market on our full spectrum of CLX solutions;
- reposition and expand our brand to reflect our full spectrum of CLX solutions; and
- manage and execute our full spectrum of CLX solutions as part of an integrated company.

Our historical performance, or that of our subsidiaries, should not be considered indicative of our future performance. We have encountered and expect to continue to encounter risks and uncertainties frequently experienced by growing companies in rapidly changing industries, such as the risks and uncertainties described above and elsewhere in this prospectus. If we are unable to successfully address these risks and uncertainties, our business, financial condition, operating results and prospects could be materially adversely affected.



***Portions of our business have long sales cycles and a long implementation cycles, which require significant resources and working capital.***

A substantial majority of our revenues are derived from client contracts entered into after long sales cycles, which require significant investment of capital, resources and time by both our clients and us. Before committing to use our solutions, potential clients require us to expend substantial time and resources educating them as to the value of our solutions and assessing the feasibility of integrating our systems and processes with theirs. As a result, our selling cycle, which typically ranges from one to two years, is subject to many risks and delays over which we have little or no control, including our clients' decisions to choose alternatives to our solutions (such as other providers or in-house resources) and the timing of our clients' budget cycles and approval processes.

In addition, implementing our solutions involves a significant commitment of resources over an extended period of time from both our clients and us. Our clients may also experience delays in obtaining internal approvals or may face delays associated with technology or system implementations, thereby further delaying the implementation process.

If we fail to close sales with potential clients to whom we have devoted significant time and resources, or if our current and future clients are not willing or able to invest the time and resources necessary to implement our solutions, our business, financial condition, results of operations and prospects could suffer.

***Our business relies heavily on technology, telephony and computer systems as well as third-party telecommunications providers, which subjects us to various uncertainties.***

We rely heavily on sophisticated and specialized communications and computer technology coupled with third-party telecommunications and bandwidth providers to provide high-quality and reliable real time solutions on behalf of our clients through our delivery centers. In our Customer Acquisition solution, the majority of our sales are conducted via sales queues in our contact centers. In both our Customer Acquisition solution and our Customer Engagement solution, we are typically required to record and maintain recordings of telephonic interactions with customers. We rely on telephone, call recording, customer relationship management and other systems and technology in our contact center operations. Our operations therefore depend on the proper functioning of our equipment and systems, including telephony, hardware and software. Third-party suppliers provide most of our systems, hardware and software, while our development teams build some in-house. We also rely on the telecommunications and data services provided by local communication companies in the countries in which we operate as well as domestic and international long distance service providers. Despite our efforts for adequate backup and redundancy mechanisms, any disruptions in the delivery of our services due to the failure of our systems, hardware or software, whether provided and maintained by third parties or in-house teams, or due to interruptions in our telecommunications or data services that adversely affect the quality or reliability (or perceived quality or reliability) of our solutions or render us unable to handle increased volumes of customer interaction during periods of high demand, may result in reduction in revenue, loss of clients, or unexpected investment in new systems or technology to ensure that we can continue to provide high-quality and reliable solutions to our clients. The occurrence of any such interruption or unplanned investment could materially adversely affect our business, financial positions, operating results and prospects.

In addition, in some areas of our business, we depend upon the quality and reliability of the services and products of our clients which we help to sell to their end customers. If the solutions we provide to our clients experience technical difficulties or quality issues, we may have a harder time selling services and products to end customers which could have an adverse impact on our business and operating results.

We further anticipate that it will be necessary to continue to invest in our technology and communications infrastructure to ensure reliability and maintain our competitiveness. This is likely to result in significant ongoing capital expenditures for maintenance as well as growth as we continue to grow our business. There can be no assurance that any of our information systems will be adequate to meet our future needs or that we will be able to incorporate new technology to enhance and develop our existing solutions. Moreover, investments in technology,

including future investments in upgrades and enhancements to hardware or software, may not necessarily maintain our competitiveness. Our future success will also depend in part on our ability to anticipate and develop information technology solutions that keep pace with evolving industry standards and changing client demands.

***Our business is heavily dependent upon our international operations, particularly in Pakistan and the Philippines and increasingly in Jamaica, and any disruption to those operations would adversely affect us.***

Outside of the United States, a substantial portion of our operations are conducted in Pakistan, the Philippines and increasingly, Jamaica. Pakistan has experienced, and continues to experience, political and social unrest and acts of terrorism. The Philippines has experienced political instability and acts of natural disaster, such as typhoons and flooding, and continues to be at risk of similar and other events that may disrupt our operations. Our operations in Jamaica, which commenced in 2016 and have been growing quickly, are also subject to political instability, natural disasters, crime and similar other risks. We also conduct operations in Canada, Nicaragua, Senegal and the United Kingdom which are subject to various risks germane to those locations.

Our international operations, particularly in Pakistan, the Philippines and Jamaica, and our ability to maintain our offshore facilities in those jurisdictions is an essential component of our business model, as the labor costs in certain of those jurisdictions are substantially lower than the cost of comparable labor in the United States and other developed countries, which allows us to competitively price our solutions. Our competitive advantage will be greatly diminished and may disappear altogether as a result of a number of factors, including:

- political unrest;
- social unrest;
- terrorism or war;
- failure of power grids in certain of the countries in which we operate, which is subject to frequent outages;
- currency fluctuations;
- changes to the laws of the jurisdictions in which we operate; or
- increases in the cost of labor and supplies in the jurisdictions in which we operate.

Our international operations may also be affected by trade restrictions, such as tariffs or other trade controls. If we are unable to continue to leverage the skills and experience of our international workforce, particularly in Pakistan and the Philippines and increasingly so in Jamaica, we may be unable to provide our solutions at an attractive price and our business could be materially and negatively impacted.

***The inelasticity of our labor costs relative to short-term movements in client demand could adversely affect our business, financial condition and results of operations.***

Our business depends on maintaining large numbers of agents to service our clients' business needs, and we tend not to terminate agents on short notice to respond to temporary declines in demand in excess of agreed levels, as rehiring and retraining agents at a later date would force us to incur additional expenses, and any termination of our employees would also involve the incurrence of significant additional costs in the form of severance payments to comply with labor regulations in the various jurisdictions in which we operate our business, all of which would have an adverse impact on our operating profit margins. Additionally, the hiring and training of our agents in response to increased demand takes time and results in additional short term expenses. These factors constrain our ability to adjust our labor costs for short-term movements in demand, which could have a material adverse effect on our business, financial condition and results of operations.

***We have identified material weaknesses in our internal control over financial reporting and, if we fail to promptly remediate our current material weaknesses or if we are unable to implement and maintain effective internal control over financial reporting in the future, our results of operations and the price of our common shares could be adversely affected.***

During our audit process in accordance with PCAOB standards for the fiscal years ended June 30, 2016 and 2017, we and our independent registered public accounting firm identified three material weaknesses in our internal control over financial reporting as defined in Rule 12b-2 under Exchange Act. A "material weakness" is a deficiency, or combination of deficiencies, in internal control over financial reporting such that there is a reasonable possibility that a material misstatement in our financial statements will not be prevented or detected on a timely basis. Specifically, the material weaknesses related to errors identified in technical accounting areas due to a lack of sufficiently detailed technical analysis of complex accounting matters and related disclosures, lack of formal reviews and reconciliations in the financial reporting process, and various control deficiencies related to information technology general controls. These material weaknesses could result in material misstatements of our financial statements that would not be prevented or detected.

We are in the process of implementing measures designed to improve our internal control over financial reporting and to remediate the material weaknesses identified above. We are actively engaged in assessing our control processes to identify, design, implement, and test our activities related to internal control over financial reporting. In addition, we intend to expand our accounting and financial reporting staff by hiring additional personnel with technical accounting expertise in IFRS as issued by the IASB, including a corporate controller. We will also align the controls utilized by our Continuing Business Entities other than the legacy IBEX companies to the internal controls in place at the legacy IBEX companies which are more robust due to scale and operational maturity.

We cannot assure you that the measures we have taken to date, and actions we may take in the future, will be sufficient to remediate the material deficiencies that led to our material weaknesses in our internal control over financial reporting or that they will prevent potential future material weaknesses. In addition, neither our management nor an independent registered public accounting firm has performed an evaluation of our internal control over financial reporting in accordance with the provisions of the Sarbanes-Oxley Act because no such evaluation has been required to date. As an emerging growth company and pursuant to Section 404 of the Sarbanes-Oxley Act of 2002, beginning with our Annual Report on Form 20-F for the fiscal year ended June 30, 2019, our management will be required to report on the effectiveness of our internal control over financial reporting. The rules governing the standards that must be met for management to assess our internal control over financial reporting are complex and require significant documentation, testing and possible remediation. We have not yet made a formal assessment of the effectiveness of our internal control over financial reporting for that purpose. Also, once we no longer qualify as an EGC the independent registered public accounting firm that audits our financial statements will also be required to audit our internal control over financial reporting. Any delays or difficulty in satisfying these requirements could adversely affect our future results of operations and the price of our shares. Moreover, it may cost us more than we expect to comply with these control- and procedure-related requirements. Failure to comply with Section 404 or to implement required new or improved controls, or difficulties encountered in their implementation, could harm our operating results or cause us to fail to meet our reporting obligations could potentially result in a loss in investor confidence in our reported financial information and subject us to sanctions or investigations by regulatory authorities.

If we are unable to successfully remediate our existing or any future material weaknesses in our internal control over financial reporting, or identify any additional material weaknesses, the accuracy and timing of our financial reporting may be adversely affected, we may be unable to maintain compliance with securities law requirements regarding timely filing of periodic reports in addition to applicable stock exchange listing requirements, investors may lose confidence in our financial reporting, and our share price may decline as a result.

***The anticipated strategic and financial benefits of our relationship with Amazon may not be realized.***

We issued a warrant to Amazon with the expectation that the warrant would result in various benefits including, among others, growth in revenues and improved cash flows. Achieving the anticipated benefits from the warrant is

subject to a number of challenges and uncertainties. If we are unable to achieve our objectives or if we experience delays, the expected benefits may be only partially realized or not at all, or may take longer to realize than expected, which could adversely impact our financial condition and results of operations.

***The success of our business depends on our senior management and key employees.***

Our success depends on the continued service and performance of our senior management and other key personnel. In each of the industries in which we participate, there is competition for experienced senior management and personnel with industry-specific expertise. We may not be able to retain our key personnel or recruit skilled personnel with appropriate qualifications and experience. The loss of key members of our personnel, particularly to competitors, could have a material adverse effect on our business, financial condition, results of operations and prospects.

***We may fail to attract, hire, train and retain sufficient numbers of agents and other employees in a timely fashion at our facilities to support our operations, which could have a material adverse effect on our business, financial condition, results of operations and prospects.***

Our business relies on large numbers of trained agents and other employees at our facilities, and our success depends to a significant extent on our ability to attract, hire, train and retain agents and other employees. The outsourcing industry experiences high employee turnover. In addition, we compete for employees not only with other companies in our industry, but also with companies in other industries. Increased competition for these employees, in our industry or otherwise, particularly in tight labor markets, could have an adverse effect on our business. Additionally, a significant increase in the turnover rate among trained employees could increase our costs and decrease our operating profit margins.

In addition, our ability to maintain and renew existing client engagements, obtain new business and increase our margins will depend, in large part, on our ability to attract, hire, train and retain employees with skills that enable us to keep pace with growing demands for outsourcing, evolving industry standards, new technology applications and changing client preferences. Our failure to attract, train and retain personnel with the experience and skills necessary to fulfill the needs of our existing and future clients or to assimilate new employees successfully into our operations could have a material adverse effect on our business, financial condition, results of operations and prospects.

In our Medicare insurance agency division, we rely to a significant degree on licensed health insurance agents. These employees must first be licensed by the states in which they are selling Medicare private health insurance plans and, in addition, be certified and appointed with the health insurance carrier that offers the plans in each state that the plans are being sold by the agent. Because a significant number of Medicare plans are sold in the fourth quarter of each calendar year during the Medicare annual enrollment period, we hire and train a significant number of additional employees on a temporary or seasonal basis in a limited period of time. It may be difficult for the health insurance agents we employ and our systems and processes to handle the increased volume of health insurance transactions that occur in a short period of time during the Medicare annual enrollment period. We must also ensure that our health insurance agent employees are timely licensed in a significant number of states and certified and appointed with the health insurance carriers whose products we sell. We depend upon state departments of insurance and health insurance carriers for the licensing, certification and appointment of our health insurance agent employees. We may not be successful in timely hiring a sufficient number of additional licensed agents or other employees for the Medicare annual enrollment period, and even if we are successful, these employees may experience delays in obtaining health insurance licenses and certifications and health insurance carrier appointments with our health insurance carrier partners. If we and our health insurance agent employees are not successful in these regards, our ability to sell Medicare-related health insurance plans will be impaired during the annual enrollment period, which would harm our business, operating results and financial condition.

***If we are not successful in converting visitors to our customer acquisition websites into purchasers or subscribers, our business and operating results may be harmed.***

The growth of our customer acquisition business depends in part upon growth in the number of our customers or subscribers we are able to acquire for our clients or insurance carrier partners. The rate at which we convert

consumers into customers or subscribers using our customer acquisition websites is a significant factor in the growth of our customer acquisition business. A number of factors could influence this conversion rate for any given period, some of which are outside of our control. These factors include:

- the quality of the consumer experience on our customer acquisition websites and with our delivery center;
- the variety and affordability of the products and services that we offer on behalf of our clients and carrier partners;
- system failures or interruptions in the operation of our customer acquisition websites;
- changes in the mix of consumers who are referred to us through our direct marketing partners, online advertising subscriber acquisition channels and other marketing channels; and
- in the case of our Medicare insurance agency division:
  - the number, type and identity of the health insurance carriers offering the health insurance products for which consumers have expressed interest, and the degree to which our technology is integrated with those carriers; and
  - the health insurance carrier underwriting guidelines applicable to applications submitted by consumers and the amount of time a carrier takes to make a decision on that application.

Even if the rate at which we convert visitors to customers or subscribers declines, the marketing and lead generation costs that have already been incurred are unlikely to decline correspondingly. Therefore, such a decline in conversion rate of consumers visiting our customer acquisition websites is likely to result in reduced revenues and a further reduced margin, which could have a material adverse effect on our business, financial condition and operating results.

***We depend upon internet search engines to attract a significant portion of the consumers who visit our customer acquisition websites, and if we are unable to advertise on search engines on a cost-effective basis, our business and operating results would be harmed.***

We maintain a number of different customer acquisition websites to market our clients' offerings to consumers in their target customer segments. Such client service offerings include cable, internet and paid television services, and Medicare private health insurance products marketed and sold by our Medicare insurance agency division. We derive a significant portion of our customer acquisition website traffic from consumers who search products or services using Internet search engines, such as Google, MSN and Yahoo!. A critical factor in attracting consumers to our customer acquisition websites is whether our clients' offerings are prominently displayed in response to an internet search relating to specific products or services that we market. Search engines typically provide two types of search results, unpaid (natural) listings and paid advertisements. We rely on both unpaid listings and paid advertisements to attract consumers to our customer acquisition websites.

Unpaid search result listings are determined and displayed in accordance with a set of formulas or algorithms developed by the particular internet search engine. The algorithms determine the order of the listing of results in response to the consumer's internet search. From time to time, search engines revise these algorithms. In some instances, these modifications have caused our customer acquisition websites to be listed less prominently in unpaid search results, which has resulted in decreased traffic to these websites. Our customer acquisition websites may also become listed less prominently in unpaid search results for other reasons, such as search engine technical difficulties, search engine technical changes and changes we decide to make to our websites. In addition, search engines have deemed the practices of some companies to be inconsistent with search engine guidelines and decided not to list their websites in search result listings at all. If we are listed less prominently in search result listings for any reason, the traffic to our customer acquisition websites would likely decline, which would harm our operating results. If we decide to attempt to replace this traffic, we may be required to increase our marketing expenditures, which also would harm our operating results and financial condition.

We also purchase paid advertisements on search engines in order to attract users to our customer acquisition websites. We typically pay a search engine for prominent placement of our name and website when certain specific terms are searched on the search engine, regardless of the unpaid search result listings. In some circumstances, the prominence of the placement of our name and website is determined by a combination of factors, including the amount we are willing to pay and algorithms designed to determine the relevance of our paid advertisement to a particular search term. We bid against our competitors and others for the display of these paid search engine advertisements. If there is increased competition for the display of paid advertisements in response to search terms related to our business, our advertising expenses could rise significantly or we could reduce or discontinue our paid search advertisements, either of which could harm our business, operating results and financial condition.

***We rely significantly on third-party marketing partners for the sale of our clients' offerings and Medicare products sold through our digital insurance agency business. Our business and operating results would be harmed if we are unable to maintain effective relationships with our existing marketing partners or if we do not establish successful relationships with new marketing partners.***

In addition to marketing through internet search engines, we frequently enter into contractual marketing relationships with other online and offline businesses that promote us to their customers. These marketing partners include financial and online service companies, affiliate programs and online advertisers and content providers. For example, for our Medicare business, we typically compensate our marketing partners for their referrals on a submitted health insurance application basis and, if they are licensed to sell health insurance, may share a percentage of the commission we earn from the health insurance carrier for each subscriber referred by the marketing partner. Although many of our marketing partners agree to an initial one or two-year term contract, some of our marketing partner agreements are terminable sooner.

Many factors influence the success of our relationship with our marketing partners, including:

- the continued positive market presence, reputation and growth of the marketing partner;
- the effectiveness of the marketing partner in marketing our websites and services;
- the interest of the marketing partner's customers in the products and services that we offer on our customer acquisition websites;
- the contractual terms we negotiate with the marketing partner, including the marketing fee we agree to pay a marketing partner;
- the percentage of the marketing partner's customers that purchase products or services through our customer acquisition websites;
- the ability of a marketing partner to maintain efficient and uninterrupted operation of its website; and
- our ability to work with the marketing partner to implement website changes, launch marketing campaigns and pursue other initiatives necessary to maintain positive consumer experiences and acceptable traffic volumes.

If we are unable to maintain successful relationships with our existing marketing partners or fail to establish successful relationships with new marketing partners, our business, operating results and financial condition will be harmed.

***Our business depends in part on our capacity to invest in technology as it develops, and substantial increases in the costs of technology and telecommunications services or our inability to attract and retain the necessary technologists could have a material adverse effect on our business, financial condition, results of operations and prospects.***

The use of technology in our industry has and will continue to expand and change rapidly. Our business depends, in part, upon our ability to develop and implement solutions that anticipate and keep pace with continuing changes in technology, industry standards and client preferences. We may incur significant expenses in an effort to keep pace with customer preferences for technology or to gain a competitive advantage through technological expertise or new technologies.

If we do not recognize the importance of a particular new technology to our business in a timely manner, are not committed to investing in and developing or adopting such new technology and applying these technologies to our business, or are unable to attract and retain the technologists necessary to develop and implement such technologies, our current solutions may be less attractive to existing and new clients, and we may lose market share to competitors who have recognized these trends and invested in such technology. There can be no assurance that we will have sufficient capacity or capital to meet these challenges. Any such failure to recognize the importance of such technology, a decision not to invest and develop or adopt such technology that keeps pace with evolving industry standards and changing client demands, or an inability to attract and retain the technologists necessary to develop and implement such technology could have a material adverse effect on our business, financial condition, results of operations and prospects.

***Increases in employee expenses as well as changes to labor laws could reduce our profit margin.***

For the fiscal years ended June 30, 2016 and 2017, employee salaries and benefits expenses accounted for \$217.8 million and \$227.6 million, respectively, representing 67.4%, and 68.1%, respectively, of our revenues in those periods.

Employee salaries and benefits expenses in each of the countries in which we operate are a function of the country's economic growth, level of employment and overall competition for qualified employees in the country. In most of our locations including the United States, the Philippines and Pakistan, we have experienced increased labor cost during the fiscal years ended June 30, 2016 and 2017 due to increased demand and greater competition for qualified employees. For further details, see "Management's Discussion and Analysis of Financial Condition and Results of Operations Components of Results of Operations—Operating Expenses."

We may not be successful in our attempt to control costs associated with salaries and benefits as we continue to add capacity in locations where we consider wage levels of skilled personnel to be satisfactory. We may need to increase employee compensation more than in previous periods to remain competitive in attracting the quantity and quality of employees that our business requires, which may reduce our profit margins and have a material adverse effect on our cash flows, business, financial condition, results of operations and prospects. In addition, wage increases or other expenses related to the termination of our employees may reduce our profit margins and have a material adverse effect on our cash flows, business, financial condition, results of operations and prospects. If we expand our operations into new jurisdictions, we may be subject to increased operating costs, including higher employee compensation expenses in these new jurisdictions relative to our current operating costs, which could have a negative effect on our profit margin.

Furthermore, most of the countries in which we operate have labor protection laws, which may include statutorily mandated minimum annual wage increases, legislation that imposes financial obligations on employers and laws governing the employment of workers. These labor laws in one or more of the key jurisdictions in which we operate, particularly in the United States, Pakistan, the Philippines, Jamaica or Nicaragua, may be modified in the future in a way that is detrimental to our business. If these labor laws become more stringent, or if there are increases in statutory minimum wages or higher labor costs in these jurisdictions, it may become more difficult for us to discharge employees, or cost effectively downsize our operations as our level of activity fluctuates, both of which would likely reduce our profit margins and have a material adverse effect on our business, financial condition, results of operations and prospects.

***Natural events, health epidemics, wars, terrorist attacks and other acts of violence involving any of the countries in which we or our clients have operations could adversely affect our operations and client confidence.***

Natural events (such as floods and earthquakes), health epidemics, wars, terrorist attacks and other acts of violence could result in significant worker absenteeism, lower asset utilization rates, voluntary or mandatory closure of our facilities, travel restrictions on our employees, and other disruptions to our business. These events could adversely affect our clients' levels of business activity and have a material adverse effect on our business, financial condition, results of operations and prospects.

***We may face difficulties as we expand our operations into countries in which we have no prior operating experience.***

We may expand our global operations in order to maintain an appropriate cost structure and meet our clients' needs. This may involve expanding into countries other than those in which we currently operate and where we have less familiarity with local procedures. It may involve expanding into less developed countries, which may have less political, social or economic stability and less developed infrastructure and legal systems. As we expand our business into new countries, we may encounter economic, regulatory, personnel, technological and other difficulties that increase our expenses or delay our ability to start up our operations or become profitable in such countries. This may affect our relationships with our clients and could have an adverse effect on our business, financial condition, results of operations and prospects.

***Our profitability will suffer if we are not able to maintain asset utilization levels, price appropriately and control our costs.***

Our profitability is largely a function of the efficiency with which we utilize our assets, particularly our people and facilities, and the pricing that we are able to obtain for our solutions. Our utilization rates are affected by a number of factors, including our ability to transition employees from completed projects to new assignments, hire and assimilate new employees, forecast demand for our solutions and thereby maintain an appropriate headcount in each of our locations and geographies, manage attrition, accommodate our clients' requests to shift the mix of delivery locations during the pendency of a contract, and manage resources for training, professional development and other typically non-billable activities. The prices we are able to charge for our solutions are affected by a number of factors, including our clients' perceptions of our ability to add value through our solutions, competition, introduction of new services or products by us or our competitors, our ability to accurately estimate, attain and sustain revenues from client engagements, margins and cash flows over increasingly longer contract periods and general economic and political conditions. Therefore, if we are unable to price appropriately or manage our asset utilization levels, there could be a material adverse effect on our business, results of operations and financial condition.

Our profitability is also a function of our ability to control our costs and improve our efficiency. As we increase the number of our employees and grow our business, we may not be able to manage the significantly larger and more geographically diverse workforce and our profitability may suffer.

***The inability or unwillingness of clients that represent a large portion of our accounts receivable balance to pay such balances in a timely fashion could adversely affect our business.***

We often carry significant accounts receivable balances from a limited number of clients that generate a large portion of our revenues. A client may become unable or unwilling to pay its balance in a timely fashion due to a general economic slowdown, economic weakness in its industry or the financial insolvency of its business. While we closely monitor our accounts receivable balances, a client's financial inability or unwillingness, for any reason, to pay a large accounts receivable balance would adversely impact our financial condition and cash flow and could adversely impact our ability to draw upon our receivables-backed lines of credit.



***If we are unable to fund our working capital requirements and new investments, our business, financial condition, results of operations and prospects could be adversely affected.***

Our business is characterized by high working capital requirements and the need to make new investments in operating sites and employee resources to meet the requirements of our clients. Similar to our competitors in this industry, we incur significant start-up costs related to investments in infrastructure to provide our solutions and the hiring and training of employees, such expenses historically being incurred before revenues are generated.

We are exposed to adverse changes in our clients' payment policies. If our key clients implement policies which extend the payment terms of our invoices, our working capital levels could be adversely affected and our financing costs may increase. If we are unable to fund our working capital requirements, access financing at competitive rates or make investments to meet the expanding business of our existing and potential new clients, our business, financial condition, results of operations and prospects could be adversely affected.

***Our operating results may fluctuate from quarter to quarter due to various factors including seasonality.***

Our operating results may vary significantly from one quarter to the next and our business may be impacted by factors such as client loss, the timing of new contracts and of new product or service offerings, termination of existing contracts, variations in the volume of business from clients resulting from changes in our clients' operations, the business decisions of our clients regarding the use of our solutions, start-up costs, delays or difficulties in expanding our operating facilities and infrastructure, delays or difficulties in recruiting, changes to our revenue mix or to our pricing structure or that of our competitors, inaccurate estimates of resources and time required to complete ongoing projects, currency fluctuation and seasonal changes in the operations of our clients. The financial benefit of gaining a new client may not be recognized at the intended time due to delays in the implementation of our solutions and / or negatively impacted due to an increase in the start-up costs.

Our Medicare insurance agency business is highly seasonal, with a significant portion of annual activity occurring during the Annual Election Period ("AEP") from October 15<sup>th</sup> to December 7<sup>th</sup> each year. Historically, the BPO industry experiences increased volumes during the fourth calendar quarter of the year. These seasonal effects also cause differences in revenues and income among the various quarters of any financial year, which means that the individual quarters of a year should not be directly compared with each other or used to predict annual financial results.

The sales cycle for our solutions, typically from one to two years, and the internal budget and approval processes of our prospective clients, make it difficult to predict the timing of new client engagements.

***The repositioning of our brand may not be successful.***

During fiscal year 2017, we launched an initiative to reposition the brands and corporate names associated with certain of the businesses conducted by the Continuing Business Entities to the IBEX brand. We believe that our reputation and brand is of significant importance to the success of our business. A well-recognized brand is critical to increasing our customer base and, in turn, increasing our revenue. Our ability to remain competitive depends to a large extent on our ability to maintain and enhance our reputation and brand, which could be difficult and expensive. To maintain and enhance our reputation and brand, we need to successfully manage many aspects of our business, such as cost-effective marketing campaigns to increase brand recognition and awareness in a highly competitive market.

We intend to continue conducting various marketing and brand promotion activities in connection with the repositioning of the IBEX brand. However, our brand promotion activities may not be successful or yield increased revenue. If we fail to maintain and enhance our reputation and brand, successfully reposition legacy brands to the IBEX brand, or if we incur excessive expenses in our efforts to do so, our business, financial conditions, results of operations and prospects could be adversely affected.

***Damage or disruptions to our technology systems and facilities either through events beyond or within our control could have a material adverse effect on our business, financial condition, results of operations and prospects.***

Our key technology systems and facilities may be damaged in natural disasters such as earthquakes or fires or subject to damage or compromise from human error, technical disruptions, power failure, computer glitches and viruses, telecommunications failures, adverse weather conditions and other unforeseen events, all of which are beyond our control or through bad service or poor performance which are within our control. Such events may cause disruptions to information systems, electrical power and telephone service for sustained periods. Any significant failure, damage or destruction of our equipment or systems, or any major disruptions to basic infrastructure such as power and telecommunications systems in the locations in which we operate, could impede our ability to provide solutions to our clients and thus adversely affect their businesses, have a negative impact on our reputation and may cause us to incur substantial additional expenses to repair or replace damaged equipment or facilities.

While we maintain property and business interruption insurance, our insurance coverage may not be sufficient to guarantee costs of repairing the damage caused by such disruptive events and such events may not be covered under our policies. Prolonged disruption of our solutions, even if due to events beyond our control, could also entitle our clients to terminate their contracts with us or result in other brand and reputational damages, which would have a material adverse effect on our business, financial condition, results of operations and prospects.

***We face substantial competition in our business.***

The market in which we compete, which is comprised of the historic customer acquisition, customer engagement and experience, and customer experience management market segments, is highly fragmented and continuously evolving. We face competition from a variety of companies, including some of our own clients, which operate in distinct segments of the customer lifecycle journey. These segments are very competitive, and we expect competition to remain intense from a number of sources in the future. We believe that the most significant competitive factors in the markets in which we operate are service quality, value-added service offerings, industry experience, advanced technological capabilities, global coverage, reliability, scalability, security and price. The trend toward near- and offshore outsourcing, international expansion by foreign and domestic competitors and continued technological changes may result in new and different competitors entering our markets. These competitors may include entrants from the communications, software and data networking industries or entrants in geographical locations with lower costs than those in which we operate.

Some of our existing and future competitors have or will have greater financial, human and other resources, longer operating histories, greater technological expertise and more established relationships in the industries that we currently serve or may serve in the future. In addition, some of our competitors may enter into strategic or commercial relationships among themselves or with larger, more established companies in order to increase their ability to address customer needs and reduce operating costs, or enter into similar arrangements with potential clients. Further, trends of consolidation in our certain industries and among competitors may result in new competitors with greater scale, a broader footprint, better technologies and price efficiencies attractive to our clients. Increased competition, our inability to compete successfully, pricing pressures or loss of market share could result in reduced operating profit margins and diminished financial performance which could have a material adverse effect on our business, financial condition, results of operations and prospects.

***Unfavorable economic conditions, especially in the United States and in the telecommunications, technology, cable and insurance industries from which we generate most of our revenue, could adversely affect our business, results of operations, financial condition and prospects.***

Our results of operations may vary based on the impact of changes in the global economy on our clients. While it is often difficult to predict the impact of general economic conditions on our business, unfavorable economic conditions, such as those that occurred during the global financial crisis and economic downturn that began in 2008, could

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adversely affect the demand for some of our clients' products and services and, in turn, could cause a decline in the demand for our solutions. Additionally, several of our clients, particularly in the telecommunications and technology industries, have experienced substantial price competition. As a result, we face increasing price pressure from such clients, which, if continued, could negatively affect our operating and financial performance.

Our business and future growth depend largely on continued demand for our solutions from clients based in the United States, particularly in the telecommunications, technology, cable and health and health insurance industries. During the fiscal years ended June 30, 2016 and 2017, we derived 95.7% and 94.3%, respectively, of our total revenues from customers based in the United States. In addition, a substantial portion of our clients is concentrated in the telecommunications, technology, cable and health and health insurance industries. For the fiscal year ended June 30, 2016, 48.6% of our revenues were derived from clients in the telecommunications industry, 22.5% of our revenues were derived from clients in the technology industry, 11.3% of our revenues were derived from clients in the cable industry and 5.1% of our revenues were derived from clients in the health and health insurance industry. For the fiscal year ended June 30, 2017, 47.7% of our revenues were derived from clients in the telecommunications industry, 25.2% of our revenues were derived from clients in the technology industry, 12.5% of our revenues were derived from clients in the cable industry and 6.6% of our revenues were derived from clients in the insurance industry.

For these reasons, among others, the occurrence of unfavorable economic conditions could adversely affect our business, results of operations, financial condition and prospects.

***If our solutions do not comply with the quality standards required by our clients under our agreements, our clients may assert claims for reduced payments to us or substantial damages against us, which could have a material adverse effect on our business, financial condition, results of operations and prospects.***

Many of our client contracts contain service level and performance requirements, including requirements relating to the quality of our solutions. Failure to meet service requirements or real or perceived errors made by our employees in the course of delivering our solutions could result in a reduction of revenue, which could have a material adverse effect on our business, financial condition, results of operations and prospects.

In addition, in connection with our service contracts, certain representations are made, including representations relating to the quality and experience of our personnel. A failure or inability to meet these requirements or a breach of such representations could result in a claim for damages against us and seriously damage our reputation and affect our ability to attract new business.

***Our business prospects will suffer if we are unable to continue to anticipate our clients' needs by adapting to market and technology trends.***

Our success depends, in part, upon our ability to anticipate our clients' needs by adapting to market and technology trends. We may need to invest significant resources in research and development to maintain and improve our solutions and respond to our clients' changing needs. However, we may not be able to modify our current solutions or develop, introduce and integrate new solutions in a timely manner or on a cost-effective basis. If we are unable to further refine and enhance our solutions or to anticipate innovation opportunities and keep pace with evolving technologies, our solutions could become uncompetitive or obsolete and as a result our clients may terminate their relationship with us or choose to divert their business elsewhere, and our revenues may decline as a result. In addition, we may experience technical problems and additional costs as we introduce new solutions, deploy future iterations of our solutions and integrate new solutions with existing client systems and workflows. If any of these or related problems were to arise, our business, financial condition, results of operations and prospects could be adversely affected.

In addition, we plan to expand across client industries and enter into new industry verticals such as travel and hospitality. If we are unable to successfully adapt our solutions to these industry verticals, our potential growth opportunities could be compromised.

***We rely on our clients and in our Medicare insurance agency division, our partner health insurance carriers to accurately and regularly prepare commission reports. If these reports are inaccurate or not sent to us in a timely manner, our business and operating results could be harmed.***

Our clients and in our Medicare insurance agency division, our partner health insurance carriers typically pay us a specified amount for each customer or subscriber that we acquire for them.

- In our Customer Acquisition segment (other than our Medicare insurance agency division), our clients typically pay us a fixed amount per subscriber that we acquire, the amount of which could depend on the specific products or services subscribed by the customer. Furthermore, if the customer disconnects within a certain period, our client is entitled to claw back our commissions.
- In our Medicare insurance agency division, the health insurance carriers pay us a percentage of the premium amount collected by them during the period that a subscriber maintains coverage under a policy. We rely on carriers to report accurately and in a timely manner the amount of commissions earned by us, and we calculate our commission revenue, prepare our financial reports, projections and budgets and direct our marketing and other operating efforts based on the reports we receive from health insurance carriers.

It is often challenging for us to establish whether or not our clients or the health insurance carriers are reporting the correct subscriber information to us.

- If our clients in the cable and telecommunications industries report incorrect subscriber termination data to us for which we rely on our clients' systems, our commissions could be unduly penalized.
- Similarly, in our Medicare insurance agency division, it can be difficult for us to independently determine whether carriers are reporting all commissions due to us, primarily because the majority of our subscribers terminate their policies by discontinuing their premium payments to the carrier instead of by informing us of the cancellation. To the extent that health insurance carriers understate or fail to report the amount of commissions due to us in a timely manner or at all, we will not collect and recognize revenues to which we are entitled.

Such occurrences, particularly on a sustained basis, could harm our business, operating results and financial condition.

***If we fail to adequately protect our intellectual property and proprietary information in the United States and abroad, our competitive position could be impaired and we may lose valuable assets, experience reduced revenues and incur costly litigation to protect our rights.***

We believe that our success is dependent, in part, upon protecting our intellectual property and proprietary information. We rely on a combination of trade secrets and contractual restrictions to establish and protect our intellectual property. However, the steps we take to protect our intellectual property may provide only limited protection and may not now or in the future provide us with a competitive advantage. We may not be able to protect our intellectual property if we are unable to enforce our rights or if we do not detect unauthorized use of our intellectual property. Any of our intellectual property rights may be challenged by others or invalidated through administrative process or litigation. Furthermore, legal standards relating to the validity, enforceability and scope of protection of intellectual property rights are uncertain. Despite our precautions, it may be possible for unauthorized third parties to copy our technology and use information that we regard as proprietary to create products and services that compete with our solutions. In addition, the laws of some countries do not protect proprietary rights to the same extent as the laws of the United States.

We enter into confidentiality and invention assignment agreements with our employees and consultants and enter into confidentiality agreements with our directors, advisory board members and with the parties with whom we have strategic relationships and business alliances, as well as our clients. No assurance can be given that these

agreements will be effective in controlling access to and the distribution of our proprietary information. Further, these agreements may not prevent potential competitors from independently developing technologies that are substantially equivalent or superior to ours, in which case we would not be able to assert trade secret rights.

We may be required to spend significant resources to monitor and protect our intellectual property rights. Litigation may be necessary in the future to enforce our intellectual property rights and to protect our trade secrets. Such litigation could be costly, time consuming and distracting to management and could result in the impairment or loss of portions of our intellectual property. Furthermore, our efforts to enforce our intellectual property rights may be met with defenses, counterclaims and countersuits attacking the eligibility, validity and enforceability of our intellectual property rights. Our inability to protect our proprietary technology against unauthorized copying or use, as well as any costly litigation, could make it more expensive for us to do business and adversely affect our operating results by delaying further sales or the implementation of our technologies, impairing the functionality of our platform and solutions, delaying introductions of new features or applications or injuring our reputation.

***Others could claim that we infringe on their intellectual property rights or violate contractual protections, which may result in substantial costs, diversion of resources and management attention and harm to our reputation.***

We or our clients may be subject to claims that our technology infringes upon the intellectual property rights of others. Any such infringement claims may result in substantial costs, divert management attention and other resources, harm our reputation and prevent us from offering our solutions. A successful infringement claim against us could materially and adversely affect our business, resulting in our substituting inferior or costlier technologies into our platform and solutions, monetary damages, reasonable royalties or an injunction against providing some or all of our solutions.

In our contracts, we agree to indemnify our clients for expenses and liabilities resulting from claimed infringement by our solutions, in most cases excluding third-party components, of the intellectual property rights of others. In some instances, the amount of these indemnity obligations may be greater than the revenues we receive from the client under the applicable contract. In addition, we may develop work product in connection with specific projects for our clients. Although our contracts with our clients generally provide that we retain the ownership rights to our work product, it is possible that clients may assert rights to, and seek to limit our ability to resell or reuse, our work product. Furthermore, in some cases we assign to clients intellectual property rights in and to some aspects of the documentation or other work product developed for these clients in connection with these projects, which may limit or prevent our ability to resell or reuse this intellectual property.

***Our global operations expose us to numerous legal and regulatory requirements.***

We provide solutions to our clients' customers in 35 countries and three continents around the world. We are subject to numerous, and sometimes conflicting, legal regimes on matters as diverse as anticorruption, content requirements, trade restrictions, tariffs, taxation, sanctions, immigration, internal and disclosure control obligations, securities regulation, anti-competition, data security, privacy and labor relations. For example, our operations in the United States are subject to U.S. laws on these diverse matters and our operations outside of the United States may also be subject to U.S. laws on these diverse matters. U.S. laws may be different in several respects from the laws of Pakistan and the Philippines, where we have significant operations, and jurisdictions where we may seek to expand. We also have and may seek to expand operations in emerging market jurisdictions where legal systems may be less developed or familiar to us. In addition, there can be no assurance that the laws or administrative practices relating to taxation (including the current position as to income and withholding taxes), foreign exchange, export controls, economic sanctions or otherwise in the jurisdictions where we have operations will not change. Compliance with diverse legal requirements is costly, time-consuming and requires significant resources. Violations of one or more of these regulations in the conduct of our business could result in significant fines, criminal sanctions against us or our officers, prohibitions on doing business and damage to our reputation. Violations of these regulations in connection with the performance of our obligations to our clients also could result in liability for significant monetary damages, fines or criminal prosecution, unfavorable publicity and other reputational damage, restrictions on our ability to

process information and allegations by our clients that we have not performed our contractual obligations. Due to the varying degrees of development of the legal systems of the countries in which we operate, local laws might be insufficient to protect our rights.

We are subject to U.S. sanctions regulations that could impair our ability to compete in international markets due to licensing requirements and subject us to liability if we are not in compliance with applicable laws. Specifically, the provision of our services and our international activities are subject to various economic and trade sanctions administered by the U.S. Treasury Department's Office of Foreign Assets Control. U.S. economic sanctions laws include prohibitions on the sale or supply of certain products and services to U.S. embargoed or sanctioned countries, governments, persons and entities. Although we take precautions to prevent our services from being provided or deployed in violation of such laws, our services could in the future be provided inadvertently in violation of such laws despite the precautions we take. If we fail to comply with these laws, we and our employees could be subject to civil or criminal penalties, including the possible loss of export privileges, monetary penalties, and, in extreme cases, imprisonment of responsible employees for knowing and willful violations of these laws. We may also be adversely affected through penalties, reputational harm, loss of access to certain markets, or otherwise.

In particular, in many parts of the world, including countries in which we operate or seek to expand, practices in the local business community may not conform to international business standards and could violate anticorruption laws or regulations, including the U.S. Foreign Corrupt Practices Act, the U.K. Bribery Act 2010 and the Bermuda Bribery Act of 2016. Our employees, subcontractors, agents and other third parties with which we associate could take actions that violate policies or procedures designed to promote legal and regulatory compliance or applicable anticorruption laws or regulations. Violations of these laws or regulations by us, our employees or any of these third parties could subject us to criminal or civil enforcement actions (whether or not we participated or knew about the actions leading to the violations) including fines or penalties, disgorgement of profits and suspension or disqualification from work, including U.S. federal contracting, any of which could materially adversely affect our business, including our results of operations and our reputation.

We cannot predict whether any material suits, claims, or investigations may arise in the future. Regardless of the outcome of any future actions, claims, or investigations, we may incur substantial defense costs and such actions may cause a diversion of management time and attention. Also, it is possible that we may be required to pay substantial damages or settlement costs which could have a material adverse effect on our business, financial condition, results of operations and prospects.

***Our client base includes many entities in highly regulated industries, potentially increasing our legal risk and compliance costs and requiring implementation of additional security measures.***

Many of our clients are engaged in highly regulated industries that have an array of sector-specific regulatory obligations, including privacy and security requirements. Specifically, our focus on the telecommunications, technology, cable and insurance industries means that we may process or come into possession of data that must be treated with special care. In addition to government regulations, our client contracts contain requirements related to the retention of records.

In the United States, telecommunications providers are subject to rules on the use and sharing of Customer Proprietary Network Information, or CPNI. The Telecommunications Act of 1996 limits the uses to which such information may be put, and the parties with whom it may be shared, absent customer permission. It also requires that CPNI be adequately safeguarded. Compliance with these obligations has been a topic of increased interest for the U.S. Federal Communications Commission, or FCC, which has undertaken high-profile CPNI enforcement actions in recent years. The FCC also is in the process of applying such rules to broadband service providers, which could affect how we may provide our solutions to this segment of the telecommunications industry. We instruct our clients not to provide any CPNI to us, but this information may inadvertently be provided to us by our clients as part of their customer information.

In the United States, two federal agencies, the Federal Trade Commission ("FTC") and the FCC, and various states have enacted laws including, at the federal level, the Telephone Consumer Protection Act of 1991, that restrict the placing of certain telephone calls and texts to residential and wireless telephone subscribers by means of automatic telephone dialing systems, prerecorded or artificial voice messages and fax machines. Internationally, we are also subject to similar laws imposing limitations on marketing calls to wireline and wireless numbers and compliance with do not call rules. These laws require companies to institute processes and safeguards to comply with these restrictions. Some of these laws can be enforced by the FTC, FCC, state attorney generals, foreign regulators or private party litigants. In these types of actions, the plaintiff may seek damages, statutory penalties, costs and / or attorneys' fees.

These and other sector-specific obligations could increase our legal risk and impose additional compliance costs on our solutions. If we fail to comply with these obligations, we could suffer a range of consequences, including contract breach claims from our clients, regulatory fines and other penalties, or reputational harm, all of which may have a material adverse impact on our business.

For information about regulatory risks related to our senior health insurance business, see "Risks Related to Our Medicare Insurance Agency Services." Compliance with the strict regulatory environment applicable to the health insurance industry and the specific products we sell is difficult and costly and the marketing and sale of Medicare plans are subject to numerous, complex and frequently changing laws and regulations, and non-compliance or changes in laws and regulations could harm our business, operating results, financial condition and prospects."

***Our business is subject to a variety of U.S. and international laws and regulations, including those regarding privacy, data protection and information security, and our customers may be subject to regulations related to the handling and transfer of certain types of sensitive and confidential information. Any failure to comply with applicable laws and regulations would harm our business, results of operations and financial condition.***

We and our customers may be subject to privacy- and data protection-related laws and regulations that impose obligations in connection with the collection, processing and use of personal data, financial data, health data or other similar data. Existing U.S. federal and various state and foreign privacy- and data protection-related laws and regulations are evolving and subject to potentially differing interpretations, and various legislative and regulatory bodies may expand current or enact new laws and regulations regarding privacy- and data protection-related matters. New laws, amendments to or re-interpretations of existing laws and regulations, rules of self-regulatory bodies, industry standards and contractual obligations may impact our business and practices, and we may be required to expend significant resources to adapt to these changes, or stop offering our products in certain countries. These developments could adversely affect our business, results of operations and financial condition.

The U.S. federal and various state and foreign governments have adopted or proposed limitations on, or requirements regarding, the collection, distribution, use, security and storage of personally identifiable information of individuals. The U.S. Federal Trade Commission and numerous state attorneys general are applying federal and state consumer protection laws to impose standards on the online collection, use and dissemination of data, and to the security measures applied to such data. Similarly, many foreign countries and governmental bodies, including the EU member states, have laws and regulations concerning the collection and use of personally identifiable information obtained from their residents individuals located in the EU or by businesses operating within their jurisdiction, which are often more restrictive than those in the United States. Laws and regulations in these jurisdictions apply broadly to the collection, use, storage, disclosure and security of personally identifiable information that identifies or may be used to identify an individual, such as names, email addresses and, in some jurisdictions, IP addresses and other online identifiers. In particular, on April 27, 2016 the European Union adopted the General Data Protection Regulation 2016 / 679 (GDPR) that will take full effect on May 25, 2018. The GDPR will repeal and replace the EU Data Protection Directive 95 / 46 / EC and it will be directly applicable across EU member states. The GDPR applies to any company established in the EU as well as to those outside the EU if they collect and use personal data through the provision of goods or services to individuals in the EU or monitoring their behavior (for example, through online tracking). The GDPR enhances data protection obligations for businesses and provides direct legal obligations for

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service providers processing personal data on behalf of customers, including with respect to cooperation with European data protection authorities, implementation of security measures and keeping records of personal data processing activities. Noncompliance with the GDPR can trigger steep fines of up to €20 million or 4% of global annual revenues, whichever is higher. Given the breadth and depth of changes in data protection obligations, preparing to meet the GDPR's requirements before its application on May 25, 2018 requires time, resources and a review of the technology and systems currently in use against the GDPR's requirements.

With respect to all of the foregoing, any failure or perceived failure by us to comply with U.S., EU or other foreign privacy or data security laws, policies, industry standards or legal obligations, or any security incident that results in the unauthorized access to or acquisition, release or transfer of, personally identifiable information or other customer data may result in governmental investigations, inquiries, enforcement actions and prosecutions, private litigation, fines and penalties or adverse publicity.

We expect that there will continue to be new proposed laws, regulations and industry standards concerning privacy, data protection and information security in the United States, the European Union and other jurisdictions, and we cannot yet determine the impact such future laws, regulations and standards may have on our business. Because global laws, regulations and industry standards concerning privacy and data security have continued to develop and evolve rapidly, it is possible that we or our business may not be, or may not have been, compliant with each such applicable law, regulation and industry standard.

Any such new laws, regulations, other legal obligations or industry standards, or any changed interpretation of existing laws, regulations or other standards may require us to incur additional costs and restrict our business operations. If our privacy or data security measures fail to comply with current or future laws, regulations, policies, legal obligations or industry standards, we may be subject to litigation, regulatory investigations, fines or other liabilities, as well as negative publicity and a potential loss of business.

***Unauthorized or improper disclosure of personal information or breach of privacy, whether inadvertent or as the result of a cyber-attack or improperly by our employees, could result in liability and harm our reputation which could adversely affect our business, financial condition, results of operations and prospects.***

Our business depends significantly upon technology infrastructure, telephone systems, data and other equipment and systems. Internal or external attacks on any of those could disrupt the normal operations of our facilities and impede our ability to provide critical solutions to our clients, thereby subjecting us to liability under our contracts. In addition, our business involves the use, storage and transmission of information about our employees, our clients and customers of our clients in connection with our solutions such as personal information of the customers of our clients. While we take measures to protect the security of, and against unauthorized access to, our systems, as well as the privacy of personal and proprietary information, it is possible that our security controls over our systems, as well as other security practices we follow, may not prevent the improper access to or disclosure of personally identifiable or proprietary information. Such disclosure could harm our reputation and subject us to significant liability under our contracts and laws that protect personal data, resulting in increased costs or loss of revenue. Further, data privacy is subject to frequently changing rules and regulations, which sometimes conflict among the various jurisdictions and countries in which we provide solutions. Our failure to adhere to or successfully implement processes in response to changing regulatory requirements in this area or any other kind of improper access to private personal information could result in legal liability or impairment to our reputation in the marketplace, which could have a material adverse effect on our business, financial condition, results of operations and prospects.



***Our existing debt may affect our flexibility in operating and developing our business and our ability to satisfy our obligations.***

As of June 30, 2017, we had total indebtedness of \$57.9 million. Our level of indebtedness may have significant negative effects on our future operations, including:

- impairing our ability to obtain additional financing in the future (or to obtain such financing on acceptable terms) for working capital, capital expenditures, acquisitions or other important needs;
- requiring us to dedicate a substantial portion of our cash flow to the payment of principal and interest on our indebtedness, which could impair our liquidity and reduce the availability of our cash flow to fund working capital, capital expenditures, acquisitions and other important needs;
- increasing the possibility of an event of default under the financial and operating covenants contained in our debt instruments; and
- limiting our ability to adjust to rapidly changing conditions in the industry, reducing our ability to withstand competitive pressures and making us more vulnerable to a downturn in general economic conditions or business than our competitors with relatively lower levels of debt.

If we are unable to generate sufficient cash flow from operations to service our debt, we may be required to refinance all or a portion of our existing debt or obtain additional financing. We cannot assure you that any such refinancing would be possible or that any additional financing could be obtained. Our inability to obtain such refinancing or financing may have a material adverse effect on our business, financial condition, results of operations and prospects.

In addition, several of our financing arrangements contain a number of covenants and restrictions including limits on our ability and our subsidiaries' ability to incur additional debt, pay dividends and make certain investments. Complying with these covenants may cause us to take actions that make it more difficult to successfully execute our business strategy and we may face competition from companies not subject to such restrictions. Moreover, our failure to comply with these covenants could result in an event of default or refusal by our creditors to renew certain of our loans which may have a material adverse effect on our business, financial condition, results of operation and prospects. In several recent instances, we have not been in compliance with certain applicable debt covenants in our financing arrangements.

***If we experience challenges with respect to labor relations, our overall operating costs and profitability could be adversely affected and our reputation could be harmed.***

If we fail to maintain good relations with our employees, we could suffer a strike or other significant work stoppage or other form of industrial action, which could have a material adverse effect on our business, financial condition, results of operations and prospects and harm our reputation.

***Tax matters, new legislation and actions by taxing authorities may have an adverse effect on our operations, effective tax rate and financial condition.***

We may not be able to predict our future tax liabilities due to the international nature of our operations, as we are subject to the complex and varying tax laws and rules of several foreign jurisdictions. Our results of operations and financial condition could be adversely affected if tax contingencies are resolved adversely or if we become subject to increased levels of taxation.

We are also subject to income taxes in the United States and numerous other foreign jurisdictions. Our tax expense and cash tax liability in the future could be adversely affected by numerous factors, including, but not limited to, changes in tax laws, regulations, accounting principles or interpretations and the potential adverse outcome of tax examinations and pending tax-related litigation. Changes in the valuation of deferred tax assets and liabilities, which may result from a decline in our profitability or changes in tax rates or legislation, could have a material adverse effect

on our tax expense. The governments of foreign jurisdictions from which we deliver solutions may assert that certain of our clients have a "permanent establishment" in such foreign jurisdictions by reason of the activities we perform on their behalf, particularly those clients that exercise control over or have substantial dependency on our solutions. Such an assertion could affect the size and scope of the solutions requested by such clients in the future.

Transfer pricing regulations to which we are subject require that any transaction among us and our subsidiaries be on arm's-length terms. If the applicable tax authorities were to determine that the transactions among us and our subsidiaries do not meet arm's length criteria, we may incur increased tax liability, including accrued interest and penalties. Such increase on our tax expenses would reduce our profitability and cash flows.

The new U.S. administration and key members of Congress have proposed sweeping changes to the U.S. tax system, including changes to corporate tax rates and the taxation of income earned outside the U.S. (including the taxation of previously unrepatriated foreign earnings). There remains a substantial lack of clarity around the likelihood, timing and details of any potential tax reform and the impact that such tax reform may have on us. Any changes to these sanctions, tax laws and other regulations, with or without retroactive application, could materially and adversely affect our business.

***We may become subject to taxes in Bermuda after 2035, which may have a material adverse effect on our results of operations and shareholders' investments.***

The Bermuda Minister of Finance, under the Exempted Undertakings Tax Protection Act 1966 of Bermuda, as amended, has given us assurances that if any legislation is enacted in Bermuda that would impose tax computed on profits or income, or computed on any capital asset, gain or appreciation, or any tax in the nature of estate duty or inheritance tax, then the imposition of any such tax will not be applicable to us or any of our operations, shares, debentures or other obligations until March 31, 2035, except insofar as such tax applies to persons ordinarily residing in Bermuda or to any taxes payable by us in respect of real property owned or leased by us in Bermuda. See "Material United States and Bermuda Income Tax Considerations—Bermuda Tax Consequences." Given the limited duration of the Bermuda Minister of Finance's assurance, we cannot assure shareholders that we will not be subject to any Bermuda tax after March 31, 2035.

***Fluctuations against the U.S. dollar in the local currencies in the countries in which we operate could have a material effect on our results of operations.***

During the fiscal years ended June 30, 2016 and June 30, 2017, 4.3% and 5.7%, respectively, of our revenues were generated in foreign currencies other than the U.S. dollar. A portion of our costs and expenses that were incurred outside of the United States were paid for in foreign currencies, mostly the local currencies of the Philippines and Pakistan. During the fiscal years ended June 30, 2016 and June 30, 2017, out of our total salary and employee benefit expenses, 21.2% and 20.3%, respectively, were incurred in the Philippines (currency Philippine Peso) and 6.4% and 8.4%, respectively, were incurred in Pakistan (currency Pakistani Rupee). Because our financial statements are presented in U.S. dollars and revenues are primarily collected in U.S. dollars whereas some portion of the cost is incurred in foreign currencies, any significant unhedged fluctuations in the currency exchange rates between the U.S. dollar and the currencies of countries in which we incur costs in local currencies will affect our results of operations and financial statements. This may also affect the comparability of our financial results from period to period, as we convert our subsidiaries' statements of financial position into U.S. dollars from local currencies at the period-end exchange rate, and income and cash flow statements at average exchange rates for the year. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Factors Affecting The Comparability of Our Results of Operations."

In addition to our exposure to the Philippine Peso and Pakistani Rupee, we also have exposures to the Canadian Dollar, CFA Franc (XOF), Emirati Dirham, Euro, Jamaican Dollar, and Nicaraguan Cordoba. Of these, the Jamaican Dollar and Nicaraguan Cordoba are most significant after the Philippine Peso and Pakistani Rupee.

As we increase our revenues from non-U.S. locations or expand our solution delivery or back office footprint to other international locations, this effect may be magnified. We may in the future engage in hedging strategies in an effort to reduce the adverse impact of fluctuations in foreign currency exchange rates, which may not be successful. See also "Management's Discussion and Analysis of Financial Condition and Results of Operations —Foreign Currency Exchange Risk" and "Management's Discussion and Analysis of Financial Condition and Results of Operations—Impact of Foreign Currency Translation."

***The estimates of market opportunity and forecasts of market growth included in this prospectus may prove to be inaccurate, and even if the market in which we compete achieves the forecasted growth, our business could fail to grow at similar rates, if at all.***

Market opportunity estimates and growth forecasts are subject to significant uncertainty and are based on assumptions and estimates that may not prove to be accurate. The estimates and forecasts in this prospectus relating to the size and expected growth of the market for our portfolio of integrated solutions may prove to be inaccurate. Any expansion in our market depends on a number of factors, including the cost, performance and perceived value associated with our solutions and those of our competitors. Even if the markets in which we currently compete meet the size estimates and growth forecasted in this prospectus, our business could fail to grow at similar rates, if at all. Our growth is subject to many factors, including our success in implementing our business strategy, which is subject to many risks and uncertainties. Accordingly, the forecasts of market growth included in this prospectus should not be taken as indicative of our future growth. For more information regarding the estimates of market opportunity and the forecasts of market growth included in this prospectus, see "Market and Industry Data."

***We have entered into certain related-party transactions and may continue to rely on related parties for certain key development and support activities.***

We have entered, and may continue to enter, into transactions with affiliates of TRGI for corporate and operational services. See "Related Party Transactions." Such transactions may not have been entered into on an arm's-length basis, and we may have achieved more favorable terms because such transactions were entered into with our related parties. We rely, and will continue to rely, on our related parties to maintain these services. If the pricing for these services changes, or if our related parties cease to provide these services, including by terminating agreements with us, we may be unable to obtain replacements for these services on the same terms without disruption to our business. This could have a material effect on our business, results of operations and financial condition.

***We may acquire other companies in pursuit of growth, which may divert our management's attention, result in dilution to our shareholders and consume resources that are necessary to sustain our business.***

We may in the future acquire complementary businesses. Negotiating these transactions can be time-consuming, difficult and expensive, and our ability to complete these transactions may be subject to conditions or approvals that are beyond our control, including anti-takeover and antitrust laws in various jurisdictions. Consequently, these transactions, even if undertaken and announced, may not close.

An acquisition, investment or new business relationship may result in unforeseen operating difficulties and expenditures. In particular, we may encounter difficulties assimilating or integrating the businesses, technologies, services, products, personnel or operations of acquired companies, particularly if the key personnel of the acquired company choose not to work for us, the acquired company's technology is not easily compatible with ours or we have difficulty retaining the customers of any acquired business due to changes in management or otherwise. Mergers or acquisitions may also disrupt our business, divert our resources and require significant management attention that would otherwise be available for the development of our business. Moreover, the anticipated benefits of any merger, acquisition, investment or similar partnership may not be realized or we may be exposed to unknown liabilities, including litigation against the companies we may acquire. For one or more of those transactions, we may:

- issue additional equity securities that would dilute our shareholders;
- use cash that we may need in the future to operate our business;

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- incur debt on terms unfavorable to us or that we are unable to repay or that may place burdensome restrictions on our operations or cash flows;
- incur large charges or substantial liabilities; or
- become subject to adverse tax consequences, or substantial depreciation or amortization, deferred compensation or other acquisition related accounting charges.

Any of these risks could materially and adversely affect our business, results of operations, financial condition and prospects.

***Our facilities operate on leasehold property and our inability to renew our leases on commercially acceptable terms or at all may adversely affect our results of operations.***

Our facilities operate on leasehold property. Our leases are subject to renewal and we may be unable to renew such leases on commercially acceptable terms or at all. Our inability to renew our leases, or a renewal of our leases with a rental rate higher than the prevailing rate under the applicable lease prior to expiration, may have an adverse impact on our operations, including disrupting our operations or increasing our cost of operations. In addition, in the event of non-renewal of our leases, we may be unable to locate suitable replacement properties for our facilities or we may experience delays in relocation that could lead to a disruption in our operations. Any disruption in our operations could have an adverse effect on our business and results of operation.

***If our goodwill or amortizable intangible assets become impaired, we could be required to record a significant charge to earnings.***

We had goodwill and other intangible assets totaling \$21.0 million and \$17.8 million as of June 30, 2016, and 2017, respectively. We review our goodwill and amortizable intangible assets for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. We assess whether there has been an impairment in the value of goodwill at least annually. In the fiscal year ended June 30, 2017, we recognized a \$54,000 impairment of goodwill related to the acquisition of a facility of DGS which was closed for operations in December 2016. In the fiscal year ended June 30, 2016, we recognized a \$1.4 million impairment change due to the write-down of a previously acquired business relating to online education. Factors that may be considered a change in circumstances indicating that the carrying value of our goodwill or amortizable intangible assets may not be recoverable include declines in stock price, market capitalization or cash flows and slower growth rates in our industry. We could be required to record a significant charge to earnings in our financial statements during the period in which any impairment of our goodwill or amortizable intangible assets were determined, negatively impacting our results of operations.

***Our ability to use our U.S. net operating loss carry forwards may be subject to limitation.***

As of June 30, 2017, we had U.S. federal net operating loss carry forwards of \$42.7 million and U.S. state net operating loss carry forwards of \$48.0 million, which will begin to expire in 2029. As of that same date, our European subsidiaries had net operating loss carry forwards of \$9.0 million, which can be carried forward indefinitely with no expiry date, and our Canadian subsidiary had a net operating loss carry forward of \$1.9 million, which expires over the period 2027 through 2036. The timing and manner in which we may utilize net operating losses may be limited by tax rules regarding changes in ownership and a lack of future taxable income could adversely affect our ability to utilize our net operating losses before they expire. In general, net operating losses in one country cannot be used to offset income in any other country and net operating losses in one state cannot be used to offset income in any other state. Accordingly, we may be subject to tax in certain jurisdictions even if we have unused net operating losses in other jurisdictions. Furthermore, each jurisdiction in which we operate may have its own limitations on our ability to utilize net operating losses or tax credit carryovers generated in that jurisdiction. These limitations may increase our U.S. federal, state or foreign income tax liability.

**Risks Related to Our Medicare Insurance Agency Business**

***Our Medicare line of business has significant working capital requirements before breakeven cash flow is achieved.***

Commissions paid to us are regulated by Centers for Medicare & Medicaid Services (“CMS”) and also by local and state insurance regulators for Medicare Supplement policies. Upon the sale of a Medicare insurance policy, whether Medicare Advantage, Medicare Part D, Medicare Supplement or some combination of these, our carrier clients pay us a fixed commission upfront, which averaged \$359 per policy sold for the fiscal year ended June 30, 2017. Thereafter, each year the policy renews, we collect a commission upon renewal that averaged \$284 per policy sold for the fiscal year ended June 30, 2017. The initial sales commission is paid upfront upon policy enrollment while the renewal commission is paid monthly upon policy renewal. Our average renewal rate for policies renewed during the fiscal year ended June 30, 2017 was 80%. In general, our cost of customer acquisition is substantially greater than the initial commission paid to us. Therefore, each time we sell a policy there is a cash flow deficit during the first year which requires us to expend upfront working capital to support the business. We will require more working capital as we sell more policies. If we are unable to fund working capital requirements for the sale of new policies, the growth in our business will diminish, which could adversely impact our future results, financial condition and prospects.

***Our revenues will be adversely impacted if our number of policies sold does not grow or if we are unable to retain our existing policy holders.***

Our revenues will be adversely impacted if our number of policy holders does not grow. When one of these policies is canceled, or if we otherwise do not remain the agent on the policy, we no longer receive the related commission revenue. Our policy holders may choose to discontinue their health insurance plans for a variety of reasons. For example, our policy holders may choose to purchase new plans through other sources or use a different agent, if, for example, they are not satisfied with our customer service or the health insurance plans that we offer. If we are not successful in retaining policy holders under their existing plans or transferring them to another policy that we offer as agent of record, we will lose these policy holders and associated commission revenue. Our cost of acquiring a new policy holders is substantially greater than the cost involved in maintaining our relationship with an existing policy holder. If we are not able to successfully retain existing policy holders and limit policy holder turnover, our revenues and operating margins will be adversely impacted and our business, operating results and financial condition would be harmed.

***Our business may be harmed if we lose our relationships with health insurance carriers, become dependent upon a limited number of insurance carriers or fail to develop new carrier relationships.***

We typically enter into contractual agency relationships with health insurance carriers that are non-exclusive and terminable on short notice by either party for any reason. Carriers may be unwilling to allow us to sell their health insurance products for a variety of reasons, including competitive or regulatory reasons, as a result of a reluctance to distribute their products over the internet or because they do not want to be associated with our brand.

We may decide to terminate our relationship with a carrier for a number of reasons, including as a result of a reduction in a carrier’s financial ratings, a carrier determining to pay lower commissions or a carrier demanding a sales process that we believe impairs the value of our service. The termination of our relationship with a carrier could reduce the variety of health insurance products we offer, which could harm our business. We also would lose a source of commissions for future sales, and, in a limited number of cases, future commissions for past sales. Our business could also be harmed if in the future we fail to develop new carrier relationships and are unable to offer consumers a wide variety of health insurance products.

The health insurance industry in the United States may experience consolidation over the next several years, resulting in a decrease in the number of health insurance carriers. If that were to happen, we may be forced to offer insurance policies from a reduced number of insurance carriers or to derive a greater portion of our revenues from a more concentrated number of carriers as our business and the health insurance industry evolve. Should our

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dependence on fewer carrier relationships increase (whether as a result of the termination of carrier relationships, further carrier consolidation or otherwise), we may become more vulnerable to adverse changes in our relationships with our carriers, particularly in states where we offer health insurance from a relatively smaller number of carriers or where a small number of carriers dominates the market, and our business, operating results and financial condition could be harmed.

***Changes in the quality and affordability of the health insurance products offered by us as agents on our acquisition platform could harm our business and operating results.***

The demand for health insurance marketed through our acquisition platform is impacted by, among other things, the variety, quality and price of the health insurance products offered on our acquisition platform. If health insurance carriers do not continue to provide us with a variety of high-quality, affordable health insurance products or if their offerings are limited as a result of consolidation in the health insurance industry or otherwise, our sales may decrease and our business, operating results and financial condition could be harmed.

***Compliance with the strict regulatory environment applicable to the health insurance industry and the specific products we sell is difficult and costly.***

As a participant in the health insurance industry through our Medicare line of business, we are subject to heavy regulation by individual state governments as well as CMS. For instance, state regulators and CMS require us to maintain a valid license in each state in which we sell health insurance and further require that we adhere to the sales, documentation and administration practices specific to each applicable state. We are subject to strict marketing guidelines, including those related to the distribution of marketing materials and activities, identification of marketing materials, font, hours of operations, TTY numbers, telephonic activity, scripting, call recording, website formatting and content, electronic marketing materials formatting and content, list and lead procurement and the opt-in requirements. We also have exposure related to the compliance of our lead vendors with the opt-in requirements. In addition, each employee who sells health insurance business on our behalf must maintain a valid license in one or more states. Because we do business in 50 states and in the District of Columbia, compliance with health insurance-related laws, rules and regulations is difficult and imposes significant costs on our business. As of June 30, 2017, we and our employees held a total of over 2,000 business entity insurance producer or individual insurance producer licenses in 50 states and in the District of Columbia. Each jurisdiction's insurance department typically has the power, among other things, to:

- grant and revoke licenses to transact insurance business and to sell insurance products;
- conduct inquiries into the insurance-related activities and conduct of producers, agents and agencies;
- require and regulate disclosure in connection with the sale and solicitation of health insurance;
- authorize how, by which personnel and under what circumstances insurance premiums can be quoted and published and an insurance policy sold;
- regulate the content of insurance-related advertisements, including web pages;
- approve policy forms, require specific benefits and benefit levels and regulate premium rates;
- impose fines and other penalties; and
- impose continuing education requirements.

Due to the complexity, periodic modification and differing interpretations of insurance laws and regulations, we may not have always been, and we may not always be, in compliance with them. Failure to comply could result in significant penalties and sanctions, additional licensing requirements or the revocation of licenses in a particular jurisdiction, which could significantly increase our operating expenses, prevent us from transacting health insurance business in a particular jurisdiction and otherwise harm our business, operating results and financial condition. Moreover, an adverse regulatory action in one jurisdiction could result in penalties and adversely affect our license

status or reputation in other jurisdictions due to the requirement that adverse regulatory actions in one jurisdiction be reported to other jurisdictions. Even if the allegations in any regulatory or other action against us are proven false, any surrounding negative publicity could harm consumer or health insurance carrier confidence in us, which could significantly damage our brand.

***The marketing and sale of Medicare plans are subject to numerous, complex and frequently changing laws and regulations, and noncompliance or changes in laws and regulations could harm our business, operating results and financial condition.***

The marketing and sale of Medicare plans are subject to numerous laws, regulations and guidelines at the federal and state level. The marketing and sale of Medicare Advantage and Medicare Part D prescription drug plans are principally regulated by CMS. The marketing and sale of Medicare Supplement plans are principally regulated on a state-by-state basis by state departments of insurance. The laws and regulations applicable to the marketing and sale of Medicare plans are numerous, ambiguous and complex, and, particularly with respect to regulations and guidance issued by CMS for Medicare Advantage and Medicare Part D prescription drug plans, change frequently. The telephone calls on which we enroll individuals into Medicare Advantage and Medicare Part D prescription drug plans are required to be recorded. Health insurance carriers audit these recordings for compliance and listen to them in connection with their investigation of complaints pursuant to CMS rules and regulations. In addition, Medicare-eligible individuals often receive a special election period and the ability to change Medicare Advantage and Part D prescription drug plans outside the Medicare annual enrollment period in the event the sale of the plan was not in accordance with CMS rules and guidelines. Given CMS's scrutiny of Medicare product health insurance carriers and the responsibility of the health insurance carriers for actions that we take, health insurance carriers may terminate our relationship with them or take other corrective action if our Medicare product sales, marketing and operations are not in compliance or give rise to too many complaints. The termination of our relationship with health insurance carriers for this reason would reduce the products we are able to offer, result in the loss of commissions for past and future sales and would otherwise harm our business, operating results and financial condition.

As a result of the laws, regulations and guidelines relating to the sale of Medicare plans, we have altered, and likely will have to continue to alter, our e-TeleQuote website and sales process to comply with several requirements applicable to our sale of senior health insurance plans. For instance, many aspects of our online platform and our marketing material and processes, as well as changes to these platforms, materials and processes, including call center scripts, must be filed on a regular basis with CMS and reviewed and approved by health insurance carriers in light of CMS requirements. In addition, certain aspects of our Medicare plan marketing partner relationships have been in the past, and will be in the future, subjected to CMS and health insurance carrier review. Changes to the laws, regulations and guidelines relating to Medicare plans, their interpretation or the manner in which they are enforced could be incompatible with these relationships, our platform or our sale of Medicare plans. In February 2015, CMS issued guidance indicating that third-party websites and marketing material must be filed for approval with CMS. Health insurance carriers have interpreted this guidance to mean that websites and marketing material of our marketing partners must go through the process of CMS filing and review and approval by health insurance carriers. Our marketing partners may not consent to having their websites or other marketing material filed with CMS. In addition, we have a number of marketing partners who refer leads to us for senior health insurance products. Given the resources and review required of us and health insurance carriers prior to CMS filing, it is unlikely that we will be able to have all of our marketing partner websites and material filed and approved by CMS, which could harm our business, operating results and financial condition. Even for our marketing partner websites and marketing material that are filed with CMS, they may not make it through the review process in time for the Medicare annual enrollment period. Moreover, under CMS guidance, websites and marketing material must be refiled with CMS if changed, which make it difficult to adapt and optimize our own websites and marketing material as well as our marketing partner websites and marketing material in a short amount of time and could harm our business, operating results and financial condition.

Due to changes in CMS guidance, enforcement, or interpretation of existing guidance applicable to our marketing and sale of Medicare products, or as a result of new laws, regulations and guidelines, CMS, state departments of

insurance, or health insurance carriers may determine to object to or not to approve aspects of our online platforms or marketing material and processes and may determine that certain existing aspects of our senior health insurance business are not in compliance. As a result, the progress of our Medicare operations could be slowed or we could be prevented from operating aspects of our Medicare revenue-generating solution altogether, which would harm our business, operating results and financial condition, particularly if it occurred during the Medicare annual enrollment period.

CMS has in the past proposed changing the rules relating to compensation of agents in connection with the sale of Medicare Advantage and Medicare Part D prescription drug plans to reduce our compensation as a health insurance agent in connection with the sale of these plans. In the event CMS adopts regulations that have the effect of reducing the compensation that we receive in connection with the sale of Medicare Advantage and Medicare Part D prescription drug plans, our business, operating results and financial condition would be harmed. In the event the actions of the federal government, state governments or other circumstances decrease the demand for the Medicare-related health insurance that we sell, or result in a reduction in the amount paid to us or impact the timing of our revenue recognition in connection with the sale of these plans, our business, operating results and financial condition could be harmed.

***Our operating results fluctuate depending upon CMS regulations, health insurance carrier payment practices and the timing of our receipt of commission reports from health insurance carriers.***

The timing of our revenues depends upon the timing of our receipt of commission reports and associated payments from health insurance carriers. There have been instances where the report of commissions and payment has been delayed. We also have experienced, and may in the future experience, a delay in receiving commission payments and reports as a result of a CMS regulation prohibiting carriers from paying commissions during the fourth quarter on Medicare Advantage and Medicare Part D prescription drug plans sold during the fourth quarter with an effective date in the following year. Any delay in our receipt of commission payments or reports could materially impact our financial results for a given quarter as we would not be able to recognize the related commission revenues in that quarter. In addition, much of our commission override revenues are not reported and paid to us in accordance with a scheduled pattern, and some are only reported and paid to us once per year. The timing of our revenue recognition could also result in a large amount of commission revenues from a carrier being recorded in a given quarter that is not indicative of the amount of revenues we may receive from that carrier in subsequent quarters, causing fluctuations in our operating results. We also could report revenues below the expectations of our investors or securities analysts in any particular period if a material report or payment from a health insurance carrier were delayed or not received within the time frame required for revenue recognition.

The Medicare annual enrollment period presents a challenge as it requires us to enroll a significant number of individuals into health insurance over a limited period of time. Significant increases in enrollment activity over a limited amount of time may also make it difficult for health insurance carriers to timely and accurately report commission information to us. To the extent health insurance carriers have difficulty in reporting timely and accurate commission information to us, we may be unable to recognize revenues in accordance with our revenue recognition policies, which could cause us to defer substantial revenues until such time our health insurance carriers are able to resume reporting timely and accurate commission information to us.

***Our business may be harmed if changes to the customer acquisition website and other marketing materials we use in our Medicare insurance agency business are not timely approved by CMS or the health insurance carriers whose products we market.***

The health insurance carriers whose Medicare plans we sell approve the contents of our customer acquisition website, much of our marketing material and our call center scripts. We must receive these approvals in order for us to be able to generate Medicare plan demand and sell Medicare plans to Medicare-eligible individuals as a health insurance agent. Many of these materials also must be filed with CMS. In addition, we use Medicare plan cost and benefit data collected and made publicly available by CMS. In the event that CMS or a health insurance carrier requires change to, disapproves,



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or delays approval of our customer acquisition website, marketing material or call center scripts, or if CMS does not timely release Medicare plan cost and benefit data for the following year's Medicare plans prior to the annual enrollment period, we could lose a significant source of Medicare plan demand and our ability to sell Medicare plans would be adversely impacted, each of which would harm our business, operating results and financial condition. CMS broadened its interpretation of rules and regulations relating to Medicare plan-related marketing material so that they apply to websites that we did not previously need to submit to health insurance carriers for approval and file with CMS. This broadened interpretation also applies the same approval and filing process to marketing material of our marketing partners. If we are not successful in timely submitting these marketing materials to health insurance carriers for approval, in gaining that approval and in filing the marketing material with CMS, our Medicare plan marketing could become less effective, which would harm our business, operating results and financial condition. Many of our marketing partners have not consented to the filing of their marketing material with CMS. If a marketing partner of ours does not consent to having its website or other marketing material filed with the CMS, does not make changes required by carriers or CMS or does not comply with the CMS marketing guidelines or other Medicare program related laws, rules and regulations, we may lose the ability to receive referrals of individuals interested in purchasing Medicare plans from that marketing partner or our ability to receive referral could be delayed and our business, operating results and financial condition would be harmed.

In addition, each time we or our marketing partners substantively change our customer acquisition websites or call center scripts after they are filed with CMS, we may need to resubmit them to our health insurance carriers and have them filed with CMS. We are not permitted to make CMS filings ourselves. Given the review cycles our scripts, website and other marketing material undergo, it is very difficult and time-consuming to make changes to them, and our inability to timely make changes to these marketing materials, whether to comply with new rules and regulations or otherwise could adversely impact our ability to sell Medicare plans during the Medicare annual enrollment period or otherwise, which could adversely impact our business, operating results and financial condition. In addition, if a change to a script or website is required by CMS or health insurance carriers, we may be prevented from selling Medicare plans during this period of review, which would harm our business, operating results, and financial condition, particularly if it occurred during the annual enrollment period.

**Risks Related to Our Common Shares and this Offering**

***There has been no prior public market for our common shares and an active market may not develop or be sustained, and you may not be able to resell your shares at or above the initial public offering price, if at all.***

Prior to this offering, there has been no public market for our common shares. We cannot predict the extent to which a trading market for our common shares will develop or how liquid that market might become. An active trading market for our common shares may never develop or may not be sustained, which could adversely affect your ability to sell your common shares and the market price of your common shares. Also, if you purchase common shares in this offering, you will pay a price that was not established in public trading markets. The initial public offering price for the common shares will be determined by negotiations between us, the selling shareholder and the underwriters and does not purport to be indicative of prices at which our common shares will trade upon completion of this offering. Consequently, you may not be able to sell your common shares above the initial public offering price and may suffer a loss on your investment.

***The market price of our common shares may be volatile and may trade at prices below the initial public offering price.***

The stock market in general, and the market for equities of newly-public companies in particular, have been highly volatile. As a result, the market price of our common shares is likely to be similarly volatile, and investors in our common shares may experience a decrease, which could be substantial, in the value of their common shares, including decreases unrelated to our operating performance or prospects, or a complete loss of their investment. The price of our common shares could be subject to significant fluctuations in response to a number of factors, including those listed elsewhere in this "Risk Factors" section and others such as:

- variations in our operating performance and the performance of our competitors;
- actual or anticipated fluctuations in our quarterly or annual operating results;

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- changes in our revenues or earnings estimates or recommendations by securities analysts;
- publication of research reports by securities analysts about us or our competitors in our industry;
- failure of securities analysts to initiate or maintain coverage of us, changes in ratings and financial estimates and the publication of other news by any securities analysts who follow our company, or our failure to meet these estimates or the expectations of investors;
- our failure or the failure of our competitors to meet analysts' projections or guidance that we or our competitors may give to the market;
- additions or departures of key personnel;
- strategic decisions by us or our competitors, such as acquisitions, divestitures, spin-offs, joint ventures, strategic investments or changes in business strategy;
- announcement of technological innovations by us or our competitors;
- the passage of legislation, changes in interpretations of laws or other regulatory events or developments affecting us;
- speculation in the press or investment community;
- changes in accounting principles;
- terrorist acts, acts of war or periods of widespread civil unrest;
- changes in general market and economic conditions;
- changes or trends in our industry;
- investors' perception of our prospects; and
- adverse resolution of any new or pending litigation against us.

In the past, securities class action litigation has often been initiated against companies following periods of volatility in their stock price. This type of litigation could result in substantial costs and divert our management's attention and resources, and could also require us to make substantial payments to satisfy judgments or to settle or defend litigation.

***If securities or industry analysts do not publish research about our business, or publish inaccurate or unfavorable research, the price and trading volume of our common shares could decline.***

The market for our common shares will likely depend, in part, on the research and reports that securities or industry analysts publish about us or our business. There can be no assurance that analysts will cover us or provide favorable coverage. In addition, if one or more analysts cease coverage of our company or fail to regularly publish reports on us, we could lose visibility in the financial markets, which could cause our share price or trading volume to decline. Moreover, if one or more analysts downgrade our common shares or change their opinion of our common shares, our share price would likely decline.

***You will experience substantial dilution as a result of this offering and future equity issuances.***

The initial public offering price per share is substantially higher than the pro forma net tangible book value per common share outstanding prior to this offering. As a result, investors purchasing common shares in this offering will experience immediate dilution of \$ per share in net tangible book value after giving effect to the sale of common shares in this offering at an assumed public offering price of \$ per share, the midpoint of the estimated initial public offering price range set forth on the cover page of this prospectus. See "Dilution." In addition, we have issued options to acquire common shares at prices significantly below the initial public offering price. As of , common shares were issuable upon exercise of outstanding options with a weighted-average exercise price of \$ per share. In addition, up to 1,611,944 of our common shares may be issuable under the Amazon warrant if all of the vesting conditions under that warrant are satisfied. To the extent the outstanding options and the Amazon warrant are ultimately exercised, there will be further dilution to investors in this offering. This dilution is due in large part to the fact that our earlier investors paid substantially less than the initial public offering price when they purchased their common shares. In addition, if we issue additional equity securities, you will experience additional dilution.

***Our future earnings and earnings per share, as reported under IFRS as issued by the IASB, could be adversely impacted by the warrant granted to Amazon.***

The warrant granted to Amazon increases the number of diluted shares reported, which has an effect on our fully diluted earnings per share. Further, the warrant will be presented as a liability in our audited consolidated balance sheet and is subject to fair value measurement adjustments during the periods that it is outstanding. Accordingly, future fluctuations in the fair value of the warrant could adversely impact our results of operations.

***After the completion of this offering, we may not pay any dividends. Accordingly, investors may only realize future gains on their investments if the price of their common shares increases, which may never occur.***

We have never declared or paid any dividends on our common shares, and we currently do not plan to declare dividends on our common shares in the foreseeable future. We currently intend to retain all of our future earnings, if any, to finance the growth and development of our business. The payment of dividends, if any, would be at the discretion of our board of directors and would depend on our results of operations, capital requirements, financial condition, prospects, contractual arrangements, any limitations on payment of dividends present in our current and future debt agreements and other factors that our board of directors may deem relevant. Accordingly, if our board of directors deems it appropriate not to pay any dividends, our investors may only realize future gains on their investments if the price of their common shares increases, which may never occur. See "Dividend Policy."

***We will be a foreign private issuer and, as a result, we will not be subject to U.S. proxy rules and will be subject to Exchange Act reporting obligations that, to some extent, are more lenient and less frequent than those of a U.S. domestic public company.***

Upon consummation of this offering, we will report under the Securities Exchange Act of 1934, as amended, or the Exchange Act, as a non-U.S. company with foreign private issuer status. Because we qualify as a foreign private issuer under the Exchange Act and although we are subject to Bermuda laws and regulations with regard to such matters and intend to furnish quarterly financial information to the Securities and Exchange Commission, or the SEC, we are exempt from certain provisions of the Exchange Act that are applicable to U.S. domestic public companies, including:

- the sections of the Exchange Act regulating the solicitation of proxies, consents or authorizations in respect of a security registered under the Exchange Act;
- the sections of the Exchange Act requiring insiders to file public reports of their share ownership and trading activities and liability for insiders who profit from trades made in a short period of time; and
- the rules under the Exchange Act requiring the filing with the SEC of quarterly reports on Form 10-Q containing unaudited financial and other specified information, or current reports on Form 8-K, upon the occurrence of specified significant events.

In addition, foreign private issuers are not required to file their annual report on Form 20-F until 120 days after the end of each fiscal year, while U.S. domestic issuers that are accelerated filers are required to file their annual report on Form 10-K within 75 days after the end of each fiscal year. Foreign private issuers are also exempt from Regulation Fair Disclosure, aimed at preventing issuers from making selective disclosures of material information. As a result of the above, you may not have the same protections afforded to shareholders of companies that are not foreign private issuers.

***As a foreign private issuer, we are not subject to certain Nasdaq corporate governance rules applicable to U.S. listed companies.***

We rely on a provision in the Nasdaq corporate governance listing standards that allows us to follow Bermuda law with regard to certain aspects of corporate governance. This allows us to follow certain corporate governance practices that differ in significant respects from the corporate governance requirements applicable to U.S. companies listed on the Nasdaq Global Market.

For example, we are exempt from Nasdaq regulations that require a listed U.S. company to:

- have a majority of the board of directors consist of independent directors;
- require non-management directors to meet on a regular basis without management present;
- adopt a code of conduct and promptly disclose any waivers of the code for directors or executive officers that should address certain specified items;
- have an independent compensation committee;
- have an independent nominating committee;
- solicit proxies and provide proxy statements for all shareholder meetings;
- review related-party transactions; and
- seek shareholder approval for the implementation of certain equity compensation plans and issuances of common shares.

As a foreign private issuer, we are permitted to follow home country practice in lieu of the above requirements. In accordance with our Nasdaq Global Market listing, our audit committee is required to comply with the provisions of Section 301 of the Sarbanes-Oxley Act, and Rule 10A-3 of the Exchange Act, both of which are also applicable to U.S. companies listed on the Nasdaq Global Market. Because we are a foreign private issuer, however, our audit committee is not subject to additional Nasdaq applicable to listed U.S. companies, including an affirmative determination that all members of the audit committee are "independent," using more stringent criteria than those applicable to us as a foreign private issuer. These reduced compliance requirements may make our common shares less attractive to some investors, which could adversely affect their market price.

***We may lose our foreign private issuer status which would then require us to comply with the Exchange Act's domestic reporting regime and cause us to incur significant legal, accounting and other expenses.***

We are a foreign private issuer and therefore we are not required to comply with all of the periodic disclosure and current reporting requirements of the Exchange Act applicable to U.S. domestic issuers. In order to maintain our current status as a foreign private issuer, either:

- a majority of our common shares must be either directly or indirectly owned of record by non-residents of the United States; or
- a majority of our "executive officers" or directors may not be U.S. citizens or residents, more than 50% of our assets cannot be located in the United States, and our business must be administered principally outside the United States.

A majority of our executives, assets and business are located in and managed from the United States. As a result, if a majority of our common shares become either directly or indirectly owned of record by United States residents, we will lose our foreign private issuer status. If we lost this status, we would be required to comply with the Exchange Act reporting and other requirements applicable to U.S. domestic issuers, which are more detailed and extensive than the requirements for foreign private issuers.

We may also be required to make changes in our corporate governance practices in accordance with various SEC and Nasdaq rules. The regulatory and compliance costs to us under U.S. securities laws if we are required to comply with the reporting requirements applicable to a U.S. domestic issuer may be significantly higher than the cost we would incur as a foreign private issuer. As a result, we expect that a loss of foreign private issuer status would increase our legal and financial compliance costs and would make some activities more time consuming and costly. We also expect that if we were required to comply with the rules and regulations applicable to U.S. domestic issuers, it would make it more difficult and expensive for us to obtain director and officer liability insurance, and we may be required to accept reduced coverage or incur substantially higher costs to obtain coverage. These rules and regulations could also make it more difficult for us to attract and retain qualified members of our board of directors.

***We are an “emerging growth company” and the reduced disclosure requirements applicable to emerging growth companies may make our common shares less attractive to investors.***

We are an “emerging growth company,” as defined in the JOBS Act, and we may take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not “emerging growth companies” including, but not limited to, not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act of 2002, or the Sarbanes-Oxley Act, reduced financial disclosure obligations, reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements, and exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and any golden parachute payments not previously approved. As an “emerging growth company” under the JOBS Act, we are permitted to delay the adoption of new or revised accounting pronouncements applicable to public companies until such pronouncements are made applicable to private companies. However, we are electing not to take advantage of such extended transition period, and as a result, we will comply with new or revised accounting standards on the relevant dates on which adoption of such standards is required for non-emerging growth companies. Section 107 of the JOBS Act provides that our decision to not take advantage of the extended transition period for complying with new or revised accounting standards is irrevocable. We may take advantage of these provisions until we are no longer an “emerging growth company.” We would cease to be an “emerging growth company” upon the earliest to occur of: the last day of the fiscal year in which we have more than \$1.0 billion in annual revenue; the date we qualify as a “large accelerated filer,” with at least \$700 million of equity securities held by non-affiliates; the issuance, in any three-year period, by us of more than \$1.07 billion in non-convertible debt securities; and the last day of the fiscal year ending after the fifth anniversary of this offering. If we take advantage of any of these reduced reporting requirements in future filings, the information that we provide our security holders may be different than you might get from other public companies in which you hold equity interests. We cannot predict if investors will find our common shares less attractive because we may rely on these exemptions. If some investors find our common shares less attractive as a result, there may be a less active trading market for our common shares and our share price may be more volatile.

***Bermuda law differs from the laws in effect in the United States and may afford less protection to holders of our common shares.***

We are organized under the laws of Bermuda. As a result, our corporate affairs are governed by the Bermuda Companies Act, which differs in some material respects from laws typically applicable to U.S. corporations and shareholders, including the provisions relating to interested directors, amalgamations, mergers and acquisitions, takeovers, shareholder lawsuits and indemnification of directors. See “Bermuda Company Considerations.” Generally, the duties of directors and officers of a Bermuda company are owed to the company only. Shareholders of Bermuda companies typically do not have rights to take action against directors or officers of the company and may only do so in limited circumstances. Class actions are not available under Bermuda law. The circumstances in which derivative actions may be available under Bermuda law are substantially more proscribed and less clear than they would be to shareholders of U.S. corporations. The Bermuda courts, however, would ordinarily be expected to permit a shareholder to commence an action in the name of a company to remedy a wrong to the company where the act complained of is alleged to be beyond the corporate power of the company or illegal, or would result in the violation of the company’s memorandum of association or bye-laws. Furthermore, consideration would be given by a Bermuda court to acts that are alleged to constitute a fraud against the minority shareholders or, for instance, where an act requires the approval of a greater percentage of the company’s shareholders than that which actually approved it.

When the affairs of a company are being conducted in a manner that is oppressive or prejudicial to the interests of some shareholders, one or more shareholders may apply to the Supreme Court of Bermuda, which may make such order as it sees fit, including an order regulating the conduct of the company’s affairs in the future or ordering the purchase of the shares of any shareholders by other shareholders or by the company. In addition, under our bye-laws and as permitted by Bermuda law, each shareholder has waived any claim or right of action against our directors or officers for any action taken by directors or officers in the performance of their duties, except for actions involving

fraud or dishonesty. In addition, the rights of holders of our common shares and the fiduciary responsibilities of our directors under Bermuda law are not as clearly established as under statutes or judicial precedent in existence in jurisdictions in the United States, particularly the State of Delaware. Therefore, holders of our common shares may have more difficulty protecting their interests than would shareholders of a corporation incorporated in a jurisdiction within the United States. See "Enforceability of Civil Liabilities."

***We will incur increased costs and demands upon management as a result of complying with the laws and regulations affecting public companies, particularly after we are no longer an "emerging growth company," which could adversely affect our business, operating results and financial condition.***

As a public company, and particularly after we cease to be an "emerging growth company," we will incur significantly greater legal, accounting and other expenses than we incurred as a private company. We are subject to the reporting requirements of the Exchange Act, the Sarbanes-Oxley Act, the Dodd-Frank Wall Street Reform and Consumer Protection Act, and Nasdaq rules and regulations. These requirements have increased and will continue to increase our legal, accounting and financial compliance costs and have made and will continue to make some activities more time consuming and costly. For example, we expect these rules and regulations to make it more difficult and more expensive for us to obtain director and officer liability insurance, and we may be required to accept reduced policy limits and coverage or incur substantially higher costs to maintain the same or similar coverage. As a result, it may be more difficult for us to attract and retain qualified individuals to serve on our board of directors or as our executive officers.

The Sarbanes-Oxley Act requires, among other things, that we assess the effectiveness of our internal control over financial reporting annually and the effectiveness of our disclosure controls and procedures quarterly. In particular, Section 404 of the Sarbanes-Oxley Act, or Section 404, will require us to perform system and process evaluation and testing of our internal control over financial reporting to allow management to report on, and our independent registered public accounting firm potentially to attest to, the effectiveness of our internal control over financial reporting. As an emerging growth company, we expect to avail ourselves of the exemption from the requirement that our independent registered public accounting firm attest to the effectiveness of our internal control over financial reporting under Section 404. However, we may no longer avail ourselves of this exemption when we cease to be an emerging growth company. When our independent registered public accounting firm is required to undertake an assessment of our internal control over financial reporting, the cost of our compliance with Section 404 will correspondingly increase. Our compliance with applicable provisions of Section 404 will require that we incur substantial accounting expense and expend significant management time on compliance-related issues as we implement additional corporate governance practices and comply with reporting requirements. Moreover, if we are not able to comply with the requirements of Section 404 applicable to us in a timely manner, or if we or our independent registered public accounting firm identify deficiencies in our internal control over financial reporting that are deemed to be material weaknesses, the market price of our shares could decline and we could be subject to sanctions or investigations by the SEC or other regulatory authorities, which would require additional financial and management resources.

Furthermore, investor perceptions of our company may suffer if deficiencies are found, and this could cause a decline in the market price of our common shares. Irrespective of compliance with Section 404, any failure of our internal control over financial reporting could have a material adverse effect on our stated operating results and harm our reputation. If we are unable to implement these requirements effectively or efficiently, it could harm our operations, financial reporting, or financial results and could result in an adverse opinion on our internal controls from our independent registered public accounting firm.

After we are no longer an emerging growth company, or sooner if we choose not to take advantage of certain exemptions set forth in the JOBS Act, we expect to incur significant expenses and devote substantial management effort toward ensuring compliance with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act. In that regard, we will need to hire additional accounting and financial staff with appropriate public company experience and technical accounting knowledge.

***We cannot assure you that we will not be classified as a passive foreign investment company for any taxable year, which may result in adverse U.S. federal income tax consequence to U.S. holders.***

Based on our estimated gross income and average value of our gross assets, taking into account the assumed initial public offering price of our shares in this offering and the expected price of our shares following the offering, as well as the nature of our business, we do not expect to be considered a "passive foreign investment company," or PFIC, for U.S. federal income tax now or in the foreseeable future. A corporation organized outside the United States generally will be classified as a PFIC for U.S. federal income tax purposes in any taxable year in which at least 75% of its gross income is passive income or on average at least 50% of the gross value of its assets is attributable to assets that produce passive income or are held for the production of passive income. Passive income for this purpose generally includes dividends, interest, royalties, rents and gains from commodities and securities transactions. Our status in any taxable year will depend on our assets and activities in each year, and because this is a factual determination made annually after the end of each taxable year, there can be no assurance that we will not be considered a PFIC for the current taxable year or any future taxable year. The market value of our assets may be determined in large part by reference to the market price of our common shares, which is likely to fluctuate after the offering. If we were to be treated as a PFIC for any taxable year during which a U.S. holder held our common shares, however, certain adverse U.S. federal income tax consequences could apply to the U.S. holder. See "Material United States and Bermuda Income Tax Consequences—U.S. Federal Income Tax Consequences—Passive Foreign Investment Company Considerations."

***Any U.S. or other foreign judgments you may obtain against us may be difficult to enforce against us in Bermuda.***

We are incorporated in Bermuda and a significant portion of our assets is located outside the United States. In addition, certain of our directors are non-residents of the United States. As a result, it may be difficult or impossible for U.S. investors to serve process within the United States upon us or our directors and executive officers, or to enforce a judgment against us for civil liabilities in U.S. courts.

In addition, you should not assume that courts in the countries in which we are incorporated or where our assets are located would enforce judgments of U.S. courts obtained in actions against us based upon the civil liability provisions of applicable U.S. federal and state securities laws or would enforce, in original actions, liabilities against us based on those laws.

***After this offering, our executive officers, directors and principal shareholders will maintain the ability to control all matters submitted to shareholders for approval.***

Upon the closing of this offering, our executive officers, directors and shareholders who owned more than 5% of our outstanding common shares before this offering, which we refer to as our principal shareholders, will, in the aggregate, beneficially own shares representing approximately % of our common shares ( % if the underwriters exercise in full their option to purchase additional shares). As a result, if some or all of these shareholders were to choose to act together, they would be able to control all matters submitted to our shareholders for approval, as well as our management and affairs. For example, these persons, if they choose to act together, would control the election of directors and approval of any merger, amalgamation, consolidation or sale of all or substantially all of our assets. This concentration of voting power could delay or prevent an acquisition of our company on terms that other shareholders may desire.

***Our largest shareholder, The Resource Group International, Ltd., and its major shareholder, TRG Pakistan Limited, will continue to have substantial control over us after this offering and could limit your ability to influence the outcome of key transactions, including any change of control.***

Upon the closing of this offering, our largest shareholder, TRGI, will beneficially own, in the aggregate, approximately % of our outstanding common shares ( % if the underwriters exercise in full their option to purchase additional shares). As of June 30, 2017, TRG Pakistan Limited, a publicly traded Pakistan corporation listed on the Pakistan

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Stock Exchange, or TRGP, beneficially owns 59% of TRGI's outstanding voting securities (46% if all outstanding non-voting common shares are converted into voting common shares). The members of the boards of directors of TRGP and TRGI are identical. Peter Riepenhausen serves as the chairman and director of both TRGP and TRGI. Zia Chishti, serves as a director of both TRGP and TRGI, and is also TRGP's largest shareholder and a significant shareholder in TRGI. In addition, Mohammed Khaishgi serves on the boards of directors of TRGP, TRGI and TRGI's portfolio management company, TRG Holdings LLC (See "Management" and "Principal and Selling Shareholder.") Additionally, pursuant to a stockholder's agreement, dated September 15, 2017, between TRGI and us (the "TRGI Stockholder's Agreement"), we will not take or commit to take, or cause or permit any of our subsidiaries to take, certain enumerated actions without TRGI's consent, to be withheld or given in TRGI's sole discretion. The TRGI Stockholder's Agreement will remain in effect until the date that TRGI ceases to hold 10% or more of all shares issued by us, as measured on an as-converted basis. As a result, we expect that TRGP and TRGI will be able to exert significant influence over our business. TRGP and TRGI may have interests that differ from your interests and may cause TRGI's shares in our company to be voted in a way with which you disagree and that may be adverse to your interests. The concentration of ownership of our share capital may have the effect of delaying, preventing or deterring a change of control of our company and its subsidiaries, as well as certain M&A activity and securities offerings, and could deprive our shareholders of an opportunity to receive a premium for their common shares as part of a sale of our company and may adversely affect the market price of our common shares. In addition, because of TRGI's majority ownership of our company, even if we no longer qualify as a foreign private issuer, we may be able to take advantage of many of the same exemptions from the Nasdaq corporate governance rules for as long as we continue to qualify as a "controlled company" within the meaning of the Nasdaq corporate governance standards. See "—As a foreign private issuer, we are not subject to certain Nasdaq corporate governance rules applicable to U.S. listed companies." Our bye-laws provide that any shareholder holding 50% or more of the nominal value of our voting shares will have the right to appoint five directors to our board of directors. If there is no such 50% holder, then any shareholder holding 25% or more of the nominal value of our voting shares (first in time as compared to any other 25% shareholder) will have the right to appoint five directors to our board of directors. See "Description of Share Capital— Election and Removal of Directors."

***So long as we are a "controlled company" within the meaning of the Nasdaq rules, we will continue to qualify for, and intend to continue to rely on, exemptions from certain corporate governance requirements. You will not have the same protections afforded to stockholders of companies that are subject to such requirements.***

After completion of this offering, certain stockholders will continue to beneficially own a majority of the voting power of all of our outstanding common shares. Under Nasdaq corporate governance standards, a company of which more than 50% of the voting power is held by an individual, group or another company is a "controlled company" and may elect not to comply with certain corporate governance requirements, including:

- the requirement that a majority of the board of directors consist of "independent directors" as defined under the rules of Nasdaq;
- the requirement that we have a nominating / corporate governance committee that is composed entirely of independent directors with a written charter addressing the committee's purpose and responsibilities;
- the requirement that we have a compensation committee that is composed entirely of independent directors with a written charter addressing the committee's purpose and responsibilities; and
- the requirement for an annual performance evaluation of the nominating / corporate governance and compensation committees.

Following this offering, we intend to continue to utilize these exemptions so long as they are available. As a result, we may not have a majority of independent directors, our nominating and corporate governance committee and compensation committee may not consist entirely of independent directors and such committees may not be subject to annual performance evaluations. Accordingly, you will not have the same protections afforded to stockholders of companies that are subject to all of the corporate governance requirements of Nasdaq.



***Our management will have broad discretion over the use of the proceeds we receive in this offering and might not apply the proceeds in ways that increase the value of your investment.***

Our management will have broad discretion to use the net proceeds from this offering and you will be relying on the judgment of our management regarding the application of these proceeds. Our management might not apply the net proceeds in ways that increase the value of your investment. We plan to invest the net proceeds from this offering until they are used, and the investments we make may not yield a favorable rate of return. If we do not invest or apply the net proceeds from this offering in ways that enhance shareholder value, we may fail to achieve expected financial results, which could cause our share price to decline. See "Use of Proceeds."

***A significant portion of our total outstanding shares are restricted from immediate resale but may be sold into the market in the near future. This could cause the market price of our common shares to drop significantly, even if our business is doing well.***

Sales of a substantial number of our common shares in the public market could occur at any time. These sales, or the perception in the market that the holders of a large number of shares intend to sell shares, could reduce the market price of our common shares. After this offering, we will have      outstanding common shares of based on the number of shares outstanding as of June 30, 2017. Of these common shares,      shares to be sold in this offering, plus any shares sold upon exercise of the underwriters' over-allotment option, will be freely tradable, without restriction, in the public market immediately following this offering. Of the remaining shares,      shares are currently restricted as a result of securities laws or lock-up arrangements but will be able to be sold after the offering as described in the "Shares Eligible for Future Sale" section of this prospectus. Moreover, after this offering, holders of an aggregate of      common shares will have rights, subject to some conditions, to require us to file registration statements covering their shares or to include their shares in registration statements that we may file for ourselves or other shareholders. We also intend to register all of our common shares that we may issue under our equity compensation plans. Once we register these shares, they can be freely sold in the public market upon issuance, subject to volume limitations applicable to affiliates and the lock-up arrangements described in the "Underwriting" section of this prospectus.

***If Amazon exercises its right to acquire shares of our common shares pursuant to the warrant, it will dilute the ownership interests of our then-existing shareholders and could adversely affect the market price of our common stock.***

If Amazon exercises its right to acquire our common shares pursuant to the warrant, it will dilute the ownership interests of our then-existing shareholders and reduce our earnings per share. In addition, any sales in the public market of any common shares issuable upon the exercise of the warrant by Amazon could adversely affect the market price of our common shares.

***Anti-takeover provisions in our bye-laws could make an acquisition of us, which may be beneficial to our shareholders, more difficult and may prevent attempts by our shareholders to replace or remove our current management.***

Provisions in our bye-laws that will become effective upon the closing of this offering may delay or prevent an acquisition of us or a change in our management. In addition, by making it more difficult for shareholders to replace members of our board of directors, these provisions also may frustrate or prevent any attempts by our shareholders to replace or remove our current management because our board of directors is responsible for appointing the members of our management team. These provisions include:

- the ability of our board of directors to determine the rights, preferences and privileges of our preferred shares and to issue the preferred shares without shareholder approval; and
- the ability of major shareholders (i.e., shareholders holding 50% or more; in the absence of such a holder, 25% or more) to appoint directors to the Board.

These provisions could make it more difficult for a third party to acquire us, even if the third party's offer may be considered beneficial by many shareholders. As a result, shareholders may be limited in their ability to obtain a premium for their shares.

***We have the ability to issue preferred shares without shareholder approval.***

Our common shares may be subordinate to classes of preferred shares issued in the future in the payment of dividends and other distributions made with respect to the common shares, including distributions upon liquidation or dissolution. Our board of directors is authorized to issue preferred shares without first obtaining shareholder approval. If we issue preferred shares, it will create additional securities that may have dividend or liquidation preferences senior to the common shares. If we issue convertible preferred shares, a subsequent conversion may dilute the current common shareholders' interest.

## FORWARD LOOKING STATEMENTS

This prospectus contains forward-looking statements that are subject to risks and uncertainties. All statements other than statements of historical fact included in this prospectus are forward-looking statements. Forward-looking statements give our current expectations and projections relating to our financial condition, results of operations, plans, objectives, future performance and business. You can identify forward-looking statements by the fact that they do not relate strictly to historical or current facts. These statements may include words such as "anticipate," "estimate," "expect," "project," "plan," "intend," "believe," "may," "will," "should," "can have," "likely" and other words and terms of similar meaning in connection with any discussion of the timing or nature of future operating or financial performance or other events. These statements relate to events that involve known and unknown risks, uncertainties and other factors, including those listed under "Risk factors," which may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Forward-looking statements contained in this prospectus include, but are not limited to, statements about:

- Our ability to attract new business and retain key clients.
- Our ability to enter into multi-year contracts with our clients at appropriate rates.
- The potential for our clients or potential clients to consolidate.
- Our clients deciding to enter into or further expand their insourcing activities.
- Our ability to operate as an integrated company under the IBEX brand.
- Our ability to manage portions of our business that have long sales cycles and long implementation cycles that require significant resources and working capital.
- Our ability to manage our international operations, particularly in Pakistan and the Philippines and increasingly in Jamaica.
- Our ability to manage the inelasticity of our labor costs relative to short-term movements in client demand.
- Our ability to draw upon our receivables-backed lines of credit.
- Our ability to recruit, engage, motivate, manage and retain our global workforce.
- Our ability to anticipate and develop information technology solutions that keep pace with evolving industry standards and changing client demands.
- Our ability to maintain our offshore facilities in multiple jurisdictions.
- Our ability to develop and implement solutions that anticipate and keep pace with continuing changes in technology, industry standards and client preferences.
- Our ability to maintain and enhance our reputation and brand.
- Our ability to realize the anticipated strategic and financial benefits of our relationship with Amazon.

We derive many of our forward-looking statements from our operating budgets and forecasts, which are based upon many detailed assumptions. While we believe that our assumptions are reasonable, we caution that it is very difficult to predict the impact of known factors, and, it is impossible for us to anticipate all factors that could affect our actual results. Important factors that could cause actual results to differ materially from our expectations, or cautionary statements, are disclosed under "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" in this prospectus. All written and oral forward-looking statements attributable to us, or persons acting on our behalf, are expressly qualified in their entirety by these cautionary statements as well as other cautionary statements that are made from time to time in our other SEC filings and public communications. You should evaluate all forward-looking statements made in this prospectus in the context of these risks and uncertainties.

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We caution you that the important factors referenced above may not contain all of the factors that are important to you. In addition, we cannot assure you that we will realize the results or developments we expect or anticipate or, even if substantially realized, that they will result in the consequences or affect us or our operations in the way we expect. The forward-looking statements included in this prospectus are made only as of the date hereof. We undertake no obligation to publicly update or revise any forward-looking statement as a result of new information, future events or otherwise, except as otherwise required by law.

**MARKET AND INDUSTRY DATA**

Market data and certain industry forecast data used in this prospectus were obtained from market research, publicly available information and industry publications and organizations, including, among others, Gartner, Inc. and MarketsandMarkets Research Pvt. Ltd., as well as other information based on our internal sources. These third party sources generally indicate that they have obtained their information from sources believed to be reliable but do not guarantee the accuracy and completeness of their information. This information involves a number of assumptions and limitations, and you are cautioned not to give undue weight to these estimates, as there is no assurance that any of them will be reached. Based on our industry experience, we believe that the third party sources are reliable and that the conclusions contained in the publications are reasonable. The industry in which we operate is subject to a high degree of uncertainty and risk due to a variety of factors, including those described in the section titled "Risk Factors." These and other factors could cause our actual results to differ materially from those expressed in the third party sources.

The Gartner Reports described herein, (the "Gartner Reports") represent research opinion or viewpoints published, as part of a syndicated subscription service, by Gartner, Inc. ("Gartner"), and are not representations of fact. Each Gartner Report speaks as of its original publication date (and not as of the date of this Prospectus) and the opinions expressed in the Gartner Report are subject to change without notice.

The report from IDC described herein is *Worldwide and U.S. Business Process Outsourcing Services Forecast, 2017-2021*, IDC #US41237817, dated May 2017.

**REORGANIZATION TRANSACTION**

Commencing in April 2017, The Resource Group International Limited ("TRGI") undertook a series of transactions (collectively, the "Reorganization Transaction") to consolidate the Continuing Business Entities (as defined below) under a new holding company in anticipation of an initial public offering by the new holding company. We consider the Reorganization Transaction to be a transaction between entities under common control as all of the combining entities or businesses were ultimately controlled by TRGI both before and after the Reorganization Transaction and such control was not transitory. The principal steps in the Reorganization Transaction are described below:

- TRGI incorporated IBEX Holdings Limited, IBEX Global Limited, DGS Limited and Etelequote Limited as exempted companies with limited liability under the laws of Bermuda. TRGI then contributed to IBEX Holdings Limited 100% of its equity interests in the aforementioned newly incorporated companies (the "Continuing Business Entities"), as a result of which those three entities became wholly-owned subsidiaries of IBEX Holdings Limited.
- TRGI contributed to IBEX Holdings Limited a portion of its equity interest in each of the predecessor intermediate holding companies for the Continuing Business Entities sufficient to confer control over those holding companies. IBEX Holdings Limited in turn contributed those equity interests downstream to the Continuing Business Entities. In addition, TRGI contributed to IBEX Holdings Limited controlling equity interests in iSky, Inc. and iSky Technologies Canada, Inc., which are each now directly held by IBEX Holdings Limited. In consideration of the contribution of these equity interests by TRGI, IBEX Holdings Limited issued 4,749,860 of its common shares to TRGI. Mr. Jeffrey Cox, the chief executive officer of Digital Globe Services Limited, contributed to DGS Limited his entire equity interest in Digital Globe Services Limited in exchange for a number of shares in DGS Limited that gave him an indirect beneficial ownership interest in Digital Globe Services Limited equivalent to that which he held before that exchange.
- In order to eliminate an approximately 1.0% minority interest in Digital Globe Services Limited remaining after its December 2016 going-private transaction and delisting from the AIM segment of the London Stock Exchange, DGS Limited purchased all of the assets of Digital Globe Services Limited for a total purchase price of \$21,402,598, of which \$185,900 was paid in cash and \$21,216,653 was paid in the form of a promissory note in that principal amount ("DGS Limited Note"). Upon the closing of that asset purchase, Digital Globe Services Limited distributed to the approximately 1.0% minority interest the cash amount of \$185,900 (such amount, on a per share basis, representing the same amount of cash consideration as would have been paid to such minority shareholders if they had accepted the December 2016 going-private offer). In addition, Digital Globe Services Limited distributed to TRGI \$4,735,339 principal amount of the DGS Limited Note and made a distribution to DGS Limited of the remaining \$17,027,259 principal amount of the DGS Limited Note. DGS Limited then sold its equity interest in Digital Globe Services Limited to TRGI for a nominal amount.
- IBEX Holdings Limited adopted a Certificate of Designation by which the 4,749,861 common shares issued to TRGI in the second step described above were converted into an equivalent number of preference shares, which are called the "Convertible Preference Shares." The Convertible Preference Shares have a participating dividend preference of \$2.00 per share, vote with common shares on all matters and are automatically convertible into common shares in the event of an initial public offering on the New York Stock Exchange or the NASDAQ National Market. TRGI waived any rights to preemption it had in connection with the share issuances made in the Reorganization Transaction.
- TRGI contributed to IBEX Holdings Limited its remaining equity interests in each of IBEX Global Solutions Limited, e-Telequote Plc, iSky, Inc. and iSky Technologies Canada, Inc. In addition, TRGI contributed to IBEX Holdings Limited all of its interest in the \$4,735,339 principal amount of DGS Limited Note described above. In consideration of these contributions, IBEX Holdings Limited issued to TRGI 6,856,139 of its common shares.
- Concurrently with the previous step, Mr. Jeffrey Cox contributed to IBEX Holdings Limited all of his equity interest in DGS Limited, in exchange for 360,184 newly issued common shares of IBEX Holdings Limited. In addition, Mr. Anthony Solazzo, the chief executive officer of e-Telequote Plc, contributed to IBEX Holdings Limited all of his equity interest in e-Telequote Plc, constituting approximately 20.0% of its outstanding share capital, in exchange for 533,818 newly issued common shares of IBEX Holdings Limited. The number of common shares of IBEX

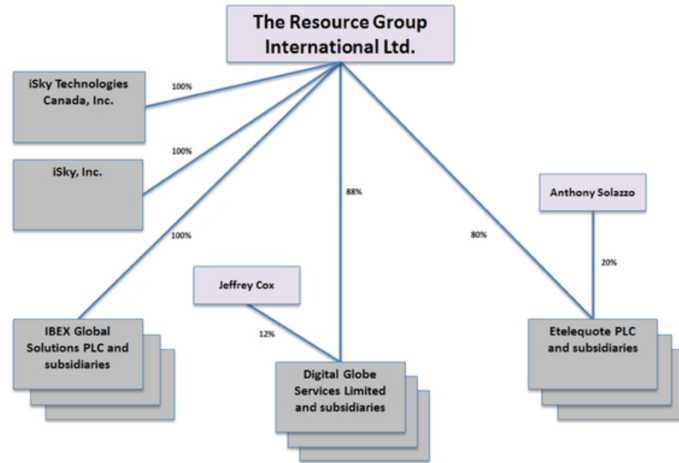
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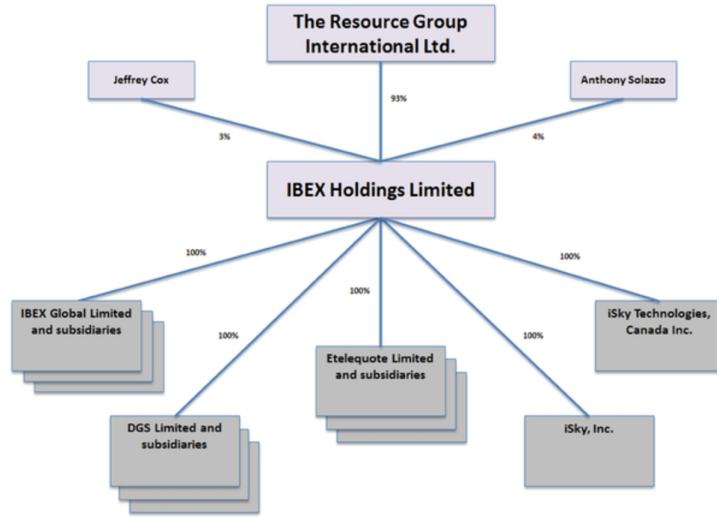
Holdings Limited issued to Messrs. Cox and Solazzo was determined based on the relative values of each of Digital Globe Services Limited and e-Telequote Plc. The relative values of those entities was not dependent upon the price at which common shares are being sold in this offering but rather was determined on the basis of independent third-party valuations of Digital Globe Services Limited, e-Telequote Plc and IBEX Holdings Limited.

After giving effect to the above transactions (but before giving effect to the conversion of the 4,749,861 Convertible Preference Shares into common shares), TRGI holds 6,856,139, or approximately 88.5%, of our outstanding common shares and (after giving effect to the conversion of the 4,749,861 Convertible Preference Shares) will hold 11,606,000, or 92.8%, of our outstanding common shares.

DGS Limited entered into a "Profit Share Agreement" dated as of June 30, 2017 with Mr. Cox whereby, in exchange for his provision of services as chief executive officer of that entity, Mr. Cox will receive 13.9% of any cash dividends paid by DGS Limited to IBEX Holdings Limited. The Profit Share Agreement terminates upon the earliest to occur of the satisfaction of any dividend preference on the Convertible Preference Shares, the conversion of all Convertible Preference Shares issued by IBEX Holdings Limited into common shares, a sale of substantially all the assets of DGS Limited or its direct or indirect subsidiaries to an unaffiliated third party, a sale of all of the shares held by IBEX Holdings Limited in any of Continuing Business Entities to an unaffiliated third party, a sale of substantially all of the assets held by any of IBEX Global Limited or Etelequote Limited to an unaffiliated third party, and June 30, 2018. On November 1, 2017, the Profit Share Agreement was amended to increase the profit share rate from 13.9% to 16.2%.

*Structure Prior to the Reorganization Transaction*







**NON-GAAP FINANCIAL MEASURES**

This prospectus contains financial measures and ratios, including Adjusted EBITDA (both consolidated and by segment), Adjusted EBITDA Margin and Net Debt, that are not required by, or presented in accordance with IFRS as issued by the IASB. We refer to these measures as "non-GAAP financial measures." For a definition of how these financial measures and ratios are calculated, see the sections entitled "Summary Consolidated Historical Financial Information" and "Selected Consolidated Historical Financial Information" elsewhere in this prospectus.

We present non-GAAP financial measures because we believe that they and other similar measures are widely used by certain investors, securities analysts and other interested parties as supplemental measures of performance and liquidity. We also use these measures internally to establish forecasts, budgets and operational goals to manage and monitor our business, as well as evaluate our underlying historical performance, as we believe that these non-GAAP financial measures depict the true performance of the business by encompassing only relevant and controllable events, enabling us to evaluate and plan more effectively for the future. The non-GAAP financial measures may not be comparable to other similarly titled measures of other companies and have limitations as analytical tools and should not be considered in isolation or as a substitute for analysis of our operating results as reported under IFRS as issued by the IASB. Non-GAAP financial measures and ratios are not measurements of our performance, financial condition or liquidity under IFRS as issued by the IASB and should not be considered as alternatives to operating profit or net profit / (loss) or as alternatives to cash flow from operating, investing or financing activities for the period, or any other performance measures, derived in accordance with IFRS as issued by the IASB or any other generally accepted accounting principles.

## USE OF PROCEEDS

We estimate that we will receive net proceeds from this offering of \$       million, based upon an assumed initial public offering price of \$       per common share (the midpoint of the price range set forth on the cover page of this prospectus), after deducting underwriting discounts and commissions and estimated offering expenses payable by us.

A \$1.00 increase (decrease) in the assumed initial public offering price of \$       per common share, the midpoint of the price range set forth on the cover page of this prospectus, would increase (decrease) the net proceeds to us from this offering by approximately \$       million, assuming the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same and after deducting underwriting discounts and commissions and estimated offering expenses payable by us. Similarly, each increase (decrease) of one million shares in the number of common shares offered by us would increase (decrease) the net proceeds to us from this offering by approximately \$       million, assuming the assumed initial public offering price remains the same and after deducting underwriting discounts and commissions and estimated offering expenses payable by us. We do not expect that a change in the initial price to the public or the number of shares by these amounts would have a material effect on uses of the proceeds from this offering, although it may accelerate the time at which we will need to seek additional capital.

The principal purposes of this offering are to increase our capitalization and financial flexibility, enhance our visibility in the marketplace, create a public market for our common shares and fund growth initiatives. We intend to use approximately \$36.9 million of the net proceeds that we receive from this offering to: (i) redeem 1,538,462 non-convertible redeemable senior preferred shares of our subsidiary Etelequote Limited for an aggregate redemption price of approximately \$20.0 million, (ii) repay approximately \$6.8 million of principal and accrued unpaid interest on the outstanding 15.0% convertible loan notes of Etelequote Limited held by TRGI, (iii) repay approximately \$9.1 million principal amount of senior secured notes of our subsidiary e-TeleQuote Insurance, Inc. and (iv) the repayment of approximately \$1.0 million of principal and accrued unpaid interest on the outstanding 15.0% promissory note of Etelequote Limited held by TRGI. The convertible loan notes of Etelequote Limited accrue interest at a rate of 15.0% per annum and mature upon demand by TRGI. The senior secured notes of our subsidiary e-TeleQuote Insurance, Inc. accrue interest at a rate of 12.0% per annum, with a maturity date of June 12, 2018. The outstanding promissory note of Etelequote Limited held by TRGI accrues interest at 15% per annum, with a maturity date of June 30, 2018. We will use the remaining net proceeds from this offering for working capital, capital expenditures, future strategic acquisitions of, or investments in, other businesses or technologies that we believe will complement our current business and expansion strategies (although we have no binding obligations to enter into any such acquisitions or investments) and other general corporate purposes. See "Use of Proceeds" and "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Financing Arrangements."

We will not receive any proceeds from the sale of common shares by the selling shareholder.

The amount, and timing of our expenditures for these purposes may vary significantly and will depend on a number of factors, including our future revenues and cash generated by operations and the other factors described in the section of this prospectus captioned "Risk Factors." Accordingly, our management will have broad discretion in applying the net proceeds of this offering. Pending these uses, we intend to invest the net proceeds of this offering in high-quality, investment-grade instruments.

## **DIVIDEND POLICY**

We have never declared or paid any dividends on our common shares, and we currently do not plan to declare dividends on our common shares in the foreseeable future. We currently intend to retain all of our future earnings, if any, to finance the growth and development of our business. The payment of dividends, if any, would be at the discretion of our board of directors and would depend on our results of operations, capital requirements, financial condition, prospects, contractual arrangements, any limitations on payment of dividends present in our current and future debt agreements and other factors that our board of directors may deem relevant.

## CAPITALIZATION

The following table sets forth our cash and capitalization as of June 30, 2017:

- on an actual basis;
- on a pro forma basis to give effect to the automatic conversion of 4,749,861 preferred shares held by TRGI into an equivalent number of our common shares upon completion of this offering; and
- on a pro forma as adjusted basis to give further effect to (i) our issuance and sale of our common shares in this offering at an assumed initial offering price of \$ per share, which is the midpoint of the price range set forth on the cover page of this prospectus, and (ii) the application of \$36.9 million of the net proceeds therefrom, after deducting underwriting discounts and commissions and estimated offering expenses payable by us, to (w) redeem 1,538,462 non-convertible redeemable senior preferred shares of our subsidiary Etelequote Limited for an aggregate redemption price of approximately \$20.0 million, (x) repay approximately \$6.8 million of principal and accrued unpaid interest on the outstanding 15.0% convertible loan notes of Etelequote Limited held by TRGI, (y) repay approximately \$9.1 million principal amount of senior secured notes of our subsidiary e-TeleQuote Insurance, Inc. and (z) the repayment of approximately \$1.0 million of principal and accrued unpaid interest on the outstanding 15.0% promissory note of Etelequote Limited held by TRGI.

This table should be read with our unaudited consolidated financial statements and the related notes, and the sections titled "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Use of Proceeds" that are included elsewhere in this prospectus.

As of June 30, 2017		
	Actual	Pro Forma (unaudited)
		Pro Forma As Adjusted <sup>(1)</sup> (unaudited)
(\$ in thousands, except share and per share data)		
Cash and cash equivalents	\$ 21,321	
Current loans and financing:		
Borrowings	41,597	
Related party loans	1,700	
Total current loans and financing	43,297	
Non-current loans and financing:		
Borrowings	14,651	
Total non - current loans and financing	14,651	
Total loans and financing	57,948	
Total equity	28,738	
Total capitalization	\$ 86,686	

- (1) Each \$1.00 increase (decrease) in the assumed initial public offering price of \$ per share, which is the midpoint of the estimated price range set forth on the cover of this prospectus, would increase (decrease) the pro forma as adjusted amount of each of cash and cash equivalents, total equity and total capitalization by approximately \$ million, assuming that the number of shares offered by us, as set forth on the cover of this prospectus, remains the same and after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us. Each increase or decrease of 1.0 million shares we are offering at the assumed initial public offering price of \$ per share, which is the midpoint of the estimated price range set forth on the cover of this prospectus, would increase (decrease) the pro forma as adjusted amount of each of cash and cash equivalents, total equity and total capitalization by approximately \$ million.

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The number of common shares shown as issued and outstanding on an actual, pro forma and pro forma as adjusted basis in the table above is based on the number of common shares outstanding as of June 30, 2017, and excludes:

- 2,007,498 common shares available for future issuance as of June 30, 2017 under our 2017 Stock Plan; and
- 1,611,944 common shares issuable upon exercise of a warrant issued to Amazon.com NV Investment Holdings LLC.

**DILUTION**

If you invest in our common shares, your ownership interest will be diluted to the extent of the difference between the initial public offering price per share and the pro forma as adjusted net tangible book value per share after this offering.

Our historical net tangible book value as of , 2017 was \$ million, or \$ per common share. Historical net tangible book value represents the amount of our total tangible assets less our total liabilities. Historical net tangible book value per share represents our historical net tangible book value divided by common shares outstanding as of , 2017.

Our pro forma net tangible book value as of , 2017 was \$ million, or \$ per common share. Pro forma net tangible book value represents the amount of our total tangible assets less our total liabilities, after giving effect to the automatic conversion of all of our outstanding preference shares into an aggregate of common shares. Pro forma net tangible book value per share represents pro forma net tangible book value divided by the total number of shares outstanding as of , 2017, after giving effect to the automatic conversion of 4,749,861 preferred shares held by TRGI into an equivalent number of our common shares, the conversion of which will occur upon completion of this offering.

After giving effect to the sale by us of common shares in this offering at an assumed initial public offering price of \$ per common share, which is the midpoint of the estimated price range on the cover of this prospectus, after deducting underwriting discounts and commissions and estimated offering expenses payable by us, and the repayment of \$36.9 million of our outstanding indebtedness, our pro forma as adjusted net tangible book value as of , 2017, would have been \$ million, or \$ per common share. This amount represents an immediate increase in pro forma net tangible book value of \$ per common share to our existing shareholders and an immediate dilution in net tangible book value of \$ per common share to new investors purchasing common shares in this offering at the assumed initial public offering price. We determine dilution by subtracting the pro forma as adjusted net tangible book value per common share after this offering from the amount of cash that a new investor paid for a common share.

The following table illustrates this dilution to new investors on a per share basis:

Assumed initial public offering price per share	\$
Historical net tangible book value per share as of , 2017	\$
Decrease in net tangible book value per share as of , 2017 attributable to the conversion of preference shares	\$
Pro forma net tangible book value per share as of , 2017 before giving effect to this offering	\$
Increase in pro forma net tangible book value per share attributable to new investors in this offering	\$
Pro forma as adjusted net tangible book value per share as of , 2017 after giving effect to this offering and the repayment of our outstanding senior secured notes	\$
Dilution per share to new investors in this offering	\$

A \$1.00 increase or decrease in the assumed initial public offering price of \$ per common share, which is the midpoint of the estimated price range on the cover of this prospectus, would increase or decrease the pro forma as adjusted net tangible book value by \$ , the pro forma as adjusted net tangible book value per share by \$ per common share, and dilution per share to new investors purchasing shares in this offering by \$ per common share, assuming the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same, and after deducting underwriting discounts and commissions and estimated expenses payable by us. We may also increase or decrease the number of shares we are offering. An increase of shares in the

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number of shares offered by us, as set forth on the cover page of this prospectus, would increase the pro forma as adjusted net tangible book value per share after this offering by \$ \_\_\_\_\_ and decrease the dilution per share to new investors participating in this offering by \$ \_\_\_\_\_, assuming no change in the assumed initial public offering price and after deducting underwriting discounts and commissions and estimated expenses payable by us. A decrease of \_\_\_\_\_ shares in the number of shares offered by us, as set forth on the cover page of this prospectus, would decrease the pro forma as adjusted net tangible book value per share after this offering by \$ \_\_\_\_\_ and increase the dilution per share to new investors participating in this offering by \$ \_\_\_\_\_, assuming no change in the assumed initial public offering price and after deducting underwriting discounts and commissions and estimated expenses payable by us. The pro forma as adjusted information discussed above is illustrative only and will adjust based on the actual initial public offering price and other terms of this offering determined at pricing.

If any shares are issued upon exercise of outstanding options, or if additional options or other equity awards are granted and exercised or become vested, or if other issuances of common shares are made, you will experience further dilution.

The table below summarizes as of \_\_\_\_\_, 2017, on the pro forma as adjusted basis described above, the number of our common shares, the total consideration and the average price per share (a) paid to us by existing shareholders and (b) to be paid by new investors purchasing our common shares in this offering at an assumed initial public offering price of \$ \_\_\_\_\_ per share, the midpoint of the estimated price range set forth on the cover page of this prospectus, before deducting underwriting discounts and commissions and estimated offering expenses payable by us.

	Shares Purchased		Total Consideration		Average Price Per Share
	Number	Percent	Amount (in millions)	Percent	
Existing shareholders		%		%	\$
New investors in this offering					
Total		100.0%		100.0%	

A \$1.00 increase or decrease in the assumed initial public offering price of \$ \_\_\_\_\_ per share, which is the midpoint of the price range set forth on the cover page of this prospectus, would increase or decrease the total consideration paid by new investors by \$ \_\_\_\_\_ million and, in the case of an increase, would increase the percentage of total consideration paid by new investors by \_\_\_\_\_ % and, in the case of a decrease, would decrease the percentage of total consideration paid by new investors by \_\_\_\_\_ %, assuming that the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same. An increase or decrease of shares in the number of shares offered by us, as set forth on the cover page of this prospectus, would increase or decrease the total consideration paid by new investors by \$ \_\_\_\_\_ million and, in the case of an increase, would increase the percentage of total consideration paid by new investors by \_\_\_\_\_ % and, in the case of a decrease, would decrease the percentage of total consideration paid by new investors by \_\_\_\_\_ %, assuming no change in the assumed initial public offering price.

The table above assumes no exercise of the underwriters' option to purchase additional shares in this offering. If the underwriters exercise their option to purchase additional common shares in full, the number of common shares beneficially owned by existing shareholders would decrease to approximately \_\_\_\_\_ % of the total number of common shares outstanding after this offering, and the number of shares held by new investors will be increased \_\_\_\_\_ % of the total number of common shares outstanding after this offering.

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The number of shares purchased from us by existing shareholders is based on 7,750,141 common shares outstanding as of June 30, 2017, after giving effect to the automatic conversion of 4,749,861 preferred shares held by TRGI into an equivalent number of our common shares, the conversion of which will occur upon completion of this offering, and excludes:

- 2,007,498 common shares available for future issuance as of June 30, 2017 under our 2017 Stock Plan; and
- 1,611,944 common shares issuable upon exercise of a warrant issued to Amazon.com NV Investment Holdings LLC.



**SELECTED CONSOLIDATED HISTORICAL FINANCIAL INFORMATION**

The following selected consolidated historical financial and other data of IBEX Holdings Limited should be read in conjunction with, and are qualified by reference to “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and our audited consolidated financial statements and notes thereto included elsewhere in this prospectus. The selected consolidated historical financial data as of June 30, 2016 and 2017 and for the years then ended are derived from the audited consolidated financial statements of IBEX Holdings Limited included elsewhere in this prospectus and should be read in conjunction with those audited consolidated financial statements and notes thereto. Our historical results are not necessarily indicative of the results that may be expected for any other future period.

	Fiscal Year Ended June 30,	
	2016	2017
	(in thousands, except share and per share amounts)	
<b>Statements of Comprehensive Income Data:</b>		
Revenue	\$ 323,016	\$ 334,034
Other operating income	635	508
Employee benefits expenses <sup>(1)</sup>	(217,810)	(227,553)
Reseller commission and lead expenses	(30,123)	(34,809)
Depreciation and amortization	(12,655)	(13,832)
Other operating expenses	(54,501)	(60,673)
Operating profit / (loss)	8,562	(2,325)
Finance expenses	(5,130)	(6,393)
Profit / (loss) before taxation	3,432	(8,718)
Income tax expense	(1,861)	(295)
Net profit / (loss) for the year	\$ 1,571	\$ (9,013)
Earnings / (loss) per share attributable to equity ordinary holders of the parent - basic and diluted <sup>(2)</sup>	\$ 0.18	\$ (0.62)
Weighted average number of shares outstanding - basic and diluted	12,500,002	12,500,002
Unaudited pro forma net profit / (loss) <sup>(3)</sup>	4,888	(4,002)
Unaudited pro forma net profit / (loss) per share attributable to equity holders of the parent - basic and diluted <sup>(4)</sup>		
Unaudited pro forma weighted average number of shares outstanding - basic and diluted <sup>(4)</sup>		
<b>Statements of Financial Position Data:</b>		
Cash and cash equivalents	\$ 9,451	\$ 21,321
Total assets	138,439	152,230
Borrowings current	28,377	41,597
Convertible loan note-related party	18,169	1,700
Borrowings non - current	12,205	14,651
Total non-current liabilities	19,298	23,607
Total liabilities	118,692	123,492
Total equity	19,747	28,738
<b>Statements of Cash Flows Data:</b>		
Net cash inflow from operating activities	\$ 3,042	\$ 6,646
Net cash used in investing activities	\$ (11,583)	\$ (9,754)
Net cash inflow from financing activities	\$ 12,188	\$ 14,976

	Fiscal Year Ended June 30,	
	2016	2017
	(in thousands, except share and per share amounts)	
<b>Other Financial and Operating Data:</b>		
Revenue from Customer Management segment	\$ 259,093	\$ 256,918
Revenue from Customer Acquisition segment	\$ 63,923	\$ 77,116
Adjusted EBITDA (unaudited) <sup>(5)</sup>	\$ 22,902	\$ 16,235
Adjusted EBITDA Margin (unaudited) <sup>(6)</sup>	7.1%	4.9%
Net Debt (unaudited) <sup>(7)</sup>	\$ 49,300	\$ 36,627

- (1) Mohammed Khaishgi, who has served as our chief executive officer since September 2017, did not serve in this capacity during the fiscal years ended June 30, 2016 and 2017 as he had other responsibilities within TRGI. Accordingly, the amounts reflected above for employee benefits expenses exclude compensation expense for Mr. Khaishgi.
- (2) See Note 24 to our audited consolidated financial statements included in this prospectus for additional information regarding the calculation of basic and diluted earnings / (loss) per share attributable to equity holders of the parent.
- (3) Unaudited pro forma net loss gives effect to (i) the automatic conversion of 4,749,861 preferred shares held by TRGI into an equivalent number of our common shares upon completion of this offering, (ii) the redemption of 1,538,462 non-convertible redeemable senior preferred shares of our subsidiary Etelequote Limited for an aggregate redemption price of approximately \$20.0 million, (iii) the repayment of approximately \$6.8 million of principal and accrued unpaid interest on the outstanding 15.0% convertible loan notes of Etelequote Limited held by TRGI, (iv) the repayment of approximately \$9.1 million principal amount of senior secured notes of our subsidiary e-TeleQuote Insurance, Inc. and (v) the repayment of approximately \$1.0 million of principal and accrued unpaid interest on the outstanding 15.0% promissory note of Etelequote Limited held by TRGI.
- (4) Unaudited pro forma weighted average number of shares outstanding—basic and diluted give effect to (i) the automatic conversion of 4,749,861 preferred shares held by TRGI into an equivalent number of our common shares upon completion of this offering and (ii) the cancellation of the outstanding options under the legacy equity incentive plans of the Continuing Business Entities and grant of options to purchase common shares under the 2017 Stock Plan with a weighted-average exercise price of \$ per share. See Note 24 to our audited consolidated financial statements included in this prospectus for additional information regarding the calculation of basic and diluted earnings / (loss) per share attributable to equity holders of the parent and weighted average number of shares outstanding - basic and diluted.
- (5) We define "EBITDA" as net profit / (loss) before finance costs, income tax (credit) / expense, depreciation and amortization. We define "Adjusted EBITDA" as EBITDA before the effect of the following items: AIM delisting expenses, litigation and settlement expenses, foreign exchange losses, goodwill impairment, other income and share-based payment. We use Adjusted EBITDA internally to establish forecasts, budgets and operational goals to manage and monitor our business, as well as evaluate our underlying historical performance. We believe that Adjusted EBITDA is a meaningful indicator of the health of our business as it reflects our ability to generate cash that can be used to fund recurring capital expenditures and growth. Adjusted EBITDA also disregards non-cash or non-recurring charges that we believe are not reflective of our long-term performance. We also believe that Adjusted EBITDA is widely used by investors, securities analysts and other interested parties as a supplemental measure of performance and liquidity.

Adjusted EBITDA may not be comparable to other similarly titled measures of other companies and has limitations as an analytical tool and should not be considered in isolation or as a substitute for analysis of our operating results as reported under IFRS as issued by the IASB. Some of these limitations are as follows:

- although depreciation and amortization expense is a non-cash charge, the assets being depreciated and amortized may have to be replaced in the future, however, Adjusted EBITDA does not reflect cash capital expenditure requirements for such replacements or for new capital expenditure requirements;
- Adjusted EBITDA is not intended to be a measure of free cash flow for management's discretionary use, as it does not reflect: (i) changes in, or cash requirements for, our working capital needs; (ii) debt service requirements; (iii) tax payments that may represent a reduction in cash available to us; and (iv) other cash costs that may recur in the future;
- other companies, including companies in our industry, may calculate Adjusted EBITDA or similarly titled measures differently, which reduces its usefulness as a comparative measure.

Because of these and other limitations, you should consider Adjusted EBITDA along with other IFRS-based financial performance measures, including cash flows from operating activities, investing activities and financing activities, net profit / (loss) and our other IFRS financial results.

The following table provides a reconciliation of Adjusted EBITDA to net profit / (loss):

	Fiscal Year Ended June 30,	
	2016	2017
	(unaudited)	
	\$ in thousands	
<b>Reconciliation of Adjusted EBITDA to Net Profit/(Loss)</b>		
Profit / (loss) for the year	\$ 1,571	\$ (9,013)
Finance costs	5,130	6,393
Income tax expense	1,861	295
Depreciation and amortization	12,655	13,832
<b>EBITDA</b>	<b>\$ 21,217</b>	<b>\$ 11,507</b>
Non-recurring expenses <sup>(a)</sup>	\$ 345	\$ 5,393
Foreign exchange losses	90	422
Goodwill impairment <sup>(b)</sup>	1,426	54
Other income <sup>(c)</sup>	(1,256)	(1,416)
Share-based payment	1,080	275
<b>Adjusted EBITDA</b>	<b>\$ 22,902</b>	<b>\$ 16,235</b>

(a) Represents expenses of \$1.0 million incurred to delist the shares of IBEX Global Solutions Ltd. and Digital Globe Services, Ltd. from the AIM segment of the London Stock Exchange. Also represents litigation and settlement costs and accruals for several litigation matters, consisting of \$2.1 million (2017) in legal and settlement costs for a legal proceeding brought against DGS EDU LLC, and \$2.0 million (2017) in legal and settlement costs and accruals for legal proceedings brought against IBEX Global Solutions, with the bulk of such expenses arising out of a class action lawsuit currently pending in the United States federal district court of Tennessee. See "Business—Legal Proceedings."

(b) The \$54,000 impairment loss recognized in the fiscal year ended June 30, 2017 related to the closure in December 2016 of a facility acquired by a DGS cash-generating unit. The \$1.4 million impairment loss recognized in the fiscal year ended June 30, 2016 related to the write-off of the goodwill attributable to the DGS EDU LLC business.

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- (c) Represents non-recurring income attributable to a now-expired arrangement under which TRGI reimbursed for the purchase of certain software that was also used by other TRGI group companies.
- (6) We calculate "Adjusted EBITDA Margin" as Adjusted EBITDA divided by revenues.
- (7) We calculate "Net Debt" as total borrowings less cash and cash equivalents. Net Debt excludes 1,538,462 senior preferred shares at June 30, 2017, which are mandatorily redeemable on or before June 6, 2018 at a redemption price of \$13.00 per share upon the event of a public offering of IBEX Holdings Limited, to the extent of the proceeds of such an offering. The following table describes a reconciliation of total borrowings of Net Debt:

	Fiscal Year Ended June 30,	
	2016	2017
	(unaudited)	
	\$ in thousands	
<b>Net debt reconciliation</b>		
Borrowings - non current	\$ 12,205	\$ 14,651
Borrowings - current	28,377	41,597
Convertible loan note - related party	18,169	1,700
	<b>\$ 58,751</b>	<b>\$ 57,948</b>
Less: Cash and cash equivalents	9,451	21,321
<b>Net Debt</b>	<b>\$ 49,300</b>	<b>\$ 36,627</b>

## MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

*You should read the following discussion and analysis of our financial condition and results of operations together with "Selected Consolidated Financial Data" and our audited consolidated financial statements and the related notes and other financial information included elsewhere in this prospectus. These financial statements have been prepared in accordance with IFRS as issued by the IASB, which may differ in material respects from generally accepted accounting principles in other jurisdictions, including the United States. This discussion contains forward-looking statements that involve risks and uncertainties. You should review the "Risk Factors" and "Forward Looking Statements" sections of this prospectus for a discussion of important factors that could cause actual results to differ materially from the results described in or implied by the forward-looking statements contained in the following discussion and analysis.*

### Overview

We are a leading end-to-end provider of technology-enabled customer lifecycle experience ("CLX") solutions. Through our integrated CLX platform, we offer a comprehensive portfolio of solutions to optimize customer acquisition, engagement, expansion and experience for our clients. We leverage sophisticated technology and proprietary analytics, in combination with our global contact and delivery center footprint and business process outsourcing expertise, to protect and enhance our clients' brands. We manage approximately 60 million interactions each year with consumers on behalf of our clients through an omni-channel approach, using voice, web, chat and email.

Our clients consist primarily of Fortune 500 brands, across a broad range of industries, including telecommunications, cable, technology, automotive and insurance, that have large customer bases that rely on outsourced providers to maximize customer experience and improve customer expansion. We have deep, long-standing relationships with our client base; our top ten clients have an average tenure of five years. Increasingly, our client base includes faster growing brands in high-growth segments of our target markets, such as high-growth technology and consumer services. Given that these companies continue to manage outsized growth and do not generally have outsourced customer lifecycle capabilities, these companies seek to leverage outsourced providers like us to facilitate revenue growth and enhance their brand loyalty.

We conduct our business through the following two reporting segments:

**Customer Management** – Our Customer Management segment comprises our Engagement, Expansion and Experience solutions. Our suite of customer engagement solutions consist of customer service, technical support and other value-added outsourced back office services. This omni-channel offering is delivered through voice, email, chat, SMS, social media and other communication applications. Our customer expansion solution builds on our customer engagement solution, combining our traditional BPO solutions with our sales and acquisition-oriented delivery center capability to allow our existing clients to further mine their current customer base. Our customer experience solution is comprised of our comprehensive suite of proprietary software tools to measure, monitor and manage our clients' customer experience.

**Customer Acquisition** – In our Customer Acquisition segment, we work with consumer-facing businesses to acquire customers for them. Most of our customer acquisition solutions involve two steps: (a) generating or purchasing a lead or a prospect, and (b) converting that lead or prospect into a customer, most frequently through a voice-based channel. In our Customer Acquisition segment, we primarily acquire customers for clients in the telecommunications, cable, technology and insurance industries. Our activity for the insurance industry is conducted through our Medicare insurance agency division, which acquires customers for leading health insurance carriers.

## **Key Factors Affecting Our Performance**

We believe that the following factors have affected our results of operations for the fiscal years ended June 30, 2016 and 2017.

### ***Client-Related Factors Affecting Revenues***

Our revenues are heavily dependent upon our key client relationships. Our top three clients accounted for 63.1% and 58.4% of our revenues for the fiscal years ended June 30, 2016 and 2017, respectively. We have pursued the diversification of our client base as demonstrated by the decrease in revenues from these top three clients as a percentage of total revenue.

A number of factors related to client activity that have impacted our revenues during the years ended June 30, 2016 and June 30, 2017 are discussed below:

#### *Outsourcing Strategy*

Large enterprises generally have sophisticated outsourcing strategies that seek to optimize vendor expertise leveraging the advantages offered by alternative delivery locations. Changes in strategy often create opportunities for CLX providers to partner with clients in the implementation of any new outsourcing strategy. While large enterprises review their strategy regularly, factors such as merger and acquisition activity or internal client re-organizations often can be the cause of unexpected changes in strategy.

#### *Client's Underlying Business Performance*

Outsourcing demand for CLX services reflects a client's underlying business performance and priorities. Growth in a client's business often results in increased demand for our customer engagement solutions, which we believe was demonstrated in fiscal years 2016 and 2017 as demand for our customer engagement solutions from some of our new high-growth clients in the technology sector increased. Conversely, a decline in a client's business generally results in a decrease in demand for our customer engagement solutions, coupled with an increase in demand for our customer acquisition and expansion solutions. The correlation between business performance and CLX demand can therefore be complex, and depend upon several factors such as vendor consolidation, growth investment focus and overall business environment, which can result in short term revenue volatility for CLX providers.

#### *Merger and Acquisition Activity*

Outsourcing demand from our clients can be significantly impacted by merger and acquisition activity in their industries. During fiscal year 2016 and 2017, two of our largest clients completed large acquisitions, which resulted in changes to their outsourcing strategies, including vendor consolidation and changes in the mix of delivery locations. Both of these acquisitions resulted in direct increases in our overall agent headcount and share of client outsourcing spend. For example, our headcount of agents dedicated to our largest client increased from 2,636 on June 30, 2016 to 3,199 on June 30, 2017. However, such transitions often result in us incurring certain non-recurring costs such as additional training expense as agents are re-trained to service a broader product mix, and foregoing margin as regular production ceases during that training phase.

#### *Product Cycles*

Many of our clients regularly upgrade their product or service mix, which directly impacts their demand for CLX service. For example, one of our largest clients has, in recent years, followed a product release cycle which results in demand spikes that can vary in volume depending on product complexity and customer demand.

*Pricing*

Our revenues are dependent upon both volumes and unit pricing for our various CLX services. Client pricing is often expressed in terms of a base price as well as, in limited cases, with bonuses and occasionally penalties depending upon our achievement of certain client objectives. While base pricing during fiscal years 2016 and 2017 was largely stable, we did experience periodic fluctuations based upon achievement of bonuses or incurrance of penalties. For example, in fiscal year 2017, we regularly recorded additional revenues from a top client in our Customer Acquisition segment due to achievement of sales volume targets set by that client.

Within our Customer Management segment, pricing for service delivered from onshore locations is higher than pricing for service delivered from offshore locations. This difference in pricing is due to the higher wage levels in onshore locations. Accordingly, a shift in service delivery location from onshore to offshore locations results in a decline in absolute revenues; however, margins tend to increase, in percentage and often in absolute terms, as compared to onshore service delivery.

**Factors Affecting our Operating Profit Margins**

A number of factors have affected our operating profit margins during the fiscal years ended June 30, 2016 and 2017, as follows:

*Capacity Utilization*

As a significant portion of our CLX services are performed by customer-facing agents located in delivery facilities, our margins are impacted by the level of capacity utilization in those facilities. We incur substantial fixed expenses in operating such facilities, such as rent expenses and site management overhead expenses. The greater the volume of interactions handled, the higher the utilization level of workstations within those facilities and the revenues generated to cover those fixed costs, thus the greater the percentage operating margin.

As the overall mix of our business has moved to offshore and nearshore service delivery, our onshore facilities have had lower levels of capacity utilization, which has increased margin pressure. With the shift in volume from onshore to offshore locations, we have available infrastructure capacity in place to support new onshore revenue generating projects, which would cause an increase in capacity utilization and therefore in our operating margins. Alternatively, consistent with past practice, we could rationalize our delivery model footprint and shutter facilities that are underutilized and reallocate remaining volume to other facilities.

In anticipation of the shift in our geographic delivery location mix toward offshore and nearshore locations, we invested in additional facilities in Jamaica, Nicaragua and the Philippines toward the end of fiscal year 2016, with that additional capacity being gradually absorbed during fiscal year 2017. As a result, we have experienced additional margin pressure in fiscal year 2017 due to the temporary effect of the lower capacity utilization in our newer offshore and near-shore facilities as they transition towards handling higher volumes of interactions.

*Increases in Labor Costs*

When compensation levels of our employees increase, we may not be able to pass on all or a portion of such increased costs to our clients or do so on a timely basis, which tends to depress our operating profit margins if we cannot generate sufficient offsetting productivity gains. During the current economic up-cycle in the United States, competition for contact center agents has been increasing from other sectors of the economy, and has resulted in upwards wage pressure. Towards the end of fiscal year 2017, we increased base compensation for agents in many of our U.S.-based centers, which has resulted in pressure on operating margins from our activities requiring U.S. service delivery. We are expecting to offset these wage increases with lower attrition and higher agent quality resulting in increased productivity and enhanced client satisfaction leading to the achievement of financial incentives.

*Attrition Among Customer Facing Agents*

The delivery center industry is generally characterized by high employee turnover. Such turnover has a significant impact upon profitability as recruiting and training expenses are incurred to replace departing agents. The improving economy in the United States has increased our U.S. agent turnover, as agents are able to access other opportunities. Conversely, our Customer Acquisition solution and our international offshore and nearshore operations have historically experienced low levels of turnover. Other considerations such as company culture, work conditions and general employee morale are key factors that impact employee turnover.

*Inelasticity of Labor Costs Relative to Short-Term Declines in Client Demand*

As our business depends on maintaining large numbers of agents to service our clients' business needs, we tend not to terminate agents on short notice in response to temporary declines in demand in excess of agreed levels, as rehiring and retraining agents at a later date would force us to incur additional expenses. Furthermore, any termination of our employees also generally involves the incurrence of significant additional costs in the form of severance payments or early notice periods to comply with labor regulations in the various jurisdictions in which we operate our business, all of which would have an adverse impact on our operating profit margins. Accordingly, these factors constrain our ability to adjust our labor costs for short-term declines in demand.

*Increases in Expenses Related to Sourcing or Generating Leads*

A key element of our customer acquisition solution is the generation or purchase of leads or projects. We either generate our leads ourselves, often through digital means, or purchase our leads from external sources. Any increase in the cost of sourcing or generating leads or changes in the rate of conversion of those leads could impact our profit margins. During the fiscal years ended June 30, 2016 and 2017, we experienced some volatility in our internal lead generation costs, either due to competitive keyword bidding by other digital marketing agencies, or due to bidding restrictions imposed by our clients.

*Increased Up-Front Costs Driven by Increased Demand*

An increase in demand for CLX services typically results in an up-front increase in employee compensation expenses, due to the in-advance need to hire and train additional employees, predominantly delivery center agents, to service client campaigns. As these expenses for hiring and training our employees are typically incurred in a period before the revenues associated with the increase in demand are recognized, it has the effect of causing an initial decrease in our operating profit margins prior to the full impact of the profitability from the additional demand.

*Net Effect of Local Inflation and Currency Exchange Rate Fluctuations*

While substantially all of our revenues are generated in U.S. dollars, a significant portion of our operating expenses is incurred outside of the United States and paid for in foreign currencies, principally the local currencies of the Philippines and Pakistan. During the fiscal years ended June 30, 2016 and June 30, 2017, out of our total salary and employee benefit expenses, 21.2% and 20.3%, respectively, were incurred in the Philippines (in the Philippine Pesos) and 6.4% and 8.4%, respectively, were incurred in Pakistan (in the Pakistani Rupees). As a result, our results of operations are subject to the net effect, on the one hand, of inflation in the Philippines and Pakistan and, on the other hand, of the variability in exchange rates between the U.S. dollar, on the one hand, and the Philippine Peso and Pakistani Rupee, on the other. The impact of inflation on our operating expenses and thus on our audited consolidated statement of comprehensive income varies depending on the fluctuation in exchange rates between the U.S. dollar and those non-US currencies. In an environment where, for example, the Philippine Peso is weakening against the U.S. dollar, the impact of inflation in the Philippines on our results of operations will decrease, whereas in an environment where the Philippine Peso is strengthening against the U.S. dollar, the impact of inflation will be magnified. During the fiscal year ended June 30, 2017, the Philippine Peso experienced a 7.5% devaluation from 46.9 Philippine Pesos per U.S. dollar to 50.5 Philippine pesos per U.S. dollar and the Philippines Statistics Authority



reported an inflation rate of 2.7%. The devaluation of the Philippine Peso, net of the impact of the inflation rate in the Philippines in the same period, has resulted in an improvement in our operating expenses, as 18.7% of our operating costs are incurred in Philippine Pesos. See “— Qualitative and Quantitative Disclosures about Market Risk — Foreign Currency Exchange Risk.”

**Seasonality**

Our business performance is subject to seasonal fluctuations. The customer acquisition activity we conduct through our Medicare insurance agency division is highly seasonal, with a significant portion of annual activity occurring during the AEP from October 15<sup>th</sup> to December 7<sup>th</sup> each year. This fluctuation is further exacerbated by our revenue recognition policy for this division where we recognize revenues only upon a sold policy becoming effective. All policies associated with the Annual Election Period only become effective on January 1<sup>st</sup> of the following year, which results in a significant revenue spike from that division during the third quarter of our fiscal year.

For the remainder of our Customer Acquisition segment, our revenues typically increase during the summer period when households tend to move and activate telecommunications services in their new homes, as well as during the final quarter of the calendar year when the year-end holiday season begins. Within our Customer Management segment, some of our retail-facing clients undergo an increase in activity during the year-end holiday period. These seasonal effects therefore cause differences in revenues and expenses among the various quarters of any financial year, which means that the individual quarters of a year should not be directly compared with each other or be used to predict annual financial results. This intra-year seasonal fluctuation in demand is in accord with historic experience in the BPO industry, with increased volumes during the fourth calendar quarter of the year.

**Key Operational Metrics**

We regularly prepare and review the following key operating indicators to evaluate our business, measure our performance, identify trends in our business, prepare financial projections, allocate resources and make strategic decisions:

	Fiscal Year Ended June 30,		
	2016	2017	Change %
<b>Workstations</b>	10,402	11,724	12.7%
<b>Onshore</b>	3,678	3,812	3.6%
<b>Offshore</b>	5,692	6,435	13.1%
<b>Nearshore</b>	1,032	1,477	43.1%
<b>Capacity Utilization</b>	1.1x	1.0x	(10.0)%
<b>Onshore</b>	0.9x	0.8x	(7.1)%
<b>Offshore</b>	1.3x	1.2x	(7.0)%
<b>Nearshore<sup>(1)</sup></b>	0.9x	0.6x	(32.9)%

(1) Nearshore capacity utilization decreased in the fiscal year ended June 30, 2017 as we increased capacity in those related facilities ahead of planned growth.

**Workstations**

The number of workstations at all of our delivery centers is a key volume metric for our business. It is defined as the number of physical workstations at a delivery center location used for production (excluding, for example, workstations in training rooms or those used by supervisors). A single workstation will typically be used for multiple shifts, and therefore there will typically be more delivery center agents than utilized workstations.

**Capacity Utilization**

Capacity Utilization is an efficiency metric used within our business. We define Capacity Utilization as the number of agents divided by the number of workstations, for the period under consideration, across all facilities in the region.

**Customer Acquisition Segment Only**

	Fiscal Year Ended June 30,		
	2016	2017	Change %
<b>Policies on Book</b>	22,548	34,549	53.2%
<b>Ordered Revenue Generating Units</b>	873,614	1,086,373	24.4%

**Policies on Book**

Policies on Book is a key volume metric specific to our Medicare insurance agency division within our Customer Acquisition segment. It is defined as the number of Medicare policies, supplements and prescription drug plans sold and active with carriers on our book at the end of the financial year concerned. Policies on Book have grown significantly over the two financial years reported due to the highly successful sales efforts in our Medicare insurance agency division.

**Ordered Revenue Generating Units**

Ordered Revenue Generating Units ("RGUs") is a key volume metric specific to our digital marketing offering within our Customer Acquisition segment. It is defined as the number of products submitted to our clients during the course of the financial year for which we are eligible to earn commission. Ordered RGUs have grown significantly over the two financial years reported due to the highly successful sales efforts in our digital marketing line of work. Although we are eligible to earn commission on ordered RGUs, in certain instances commission may not have been paid to us as a result of factors related to our clients' products and services, which sometimes result in failed installations or cancellations and are outside of our control.

**First-time adoption of IFRS**

The financial statements, for the year ended June 30, 2017, are the first we have prepared in accordance with IFRS as issued by the IASB. For periods up to and including the year ended June 30, 2015, the predecessor holding company TRGI prepared its consolidated financial statements in accordance with the approved accounting standards as applicable in Pakistan. Approved accounting standards in Pakistan comprise of such IFRS as have been adopted under local law.

Accordingly, we have prepared financial statements that comply with IFRS as issued by the IASB, applicable as at June 30, 2017 as described in Note 3 to our audited consolidated financial statements (summary of significant accounting policies). In preparing the financial statements, our opening statement of financial position was prepared as at July 1, 2015, our date of transition to IFRS as issued by the IASB.

Set out below are the applicable mandatory exceptions and exemption elections in IFRS 1 applied in preparing our first financial statements under IFRS:

**IFRS mandatory exceptions:**

The applicable mandatory exceptions in IFRS 1 applied in preparing our first financial statements under IFRS, are as follows:

- Exception for estimates: An entity's estimates in accordance with IFRSs at the date of transition shall be consistent with estimates made for the same date in accordance with its previous assertions made for its

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internal financial information purposes, unless there is objective evidence that those estimates were in error. We considered such information about historic estimates and treated the receipt of any such information in the same way as non-adjusting events after the reporting period in accordance with IAS 10 Events after the Reporting Period, thus ensuring IFRS estimates as at July 1, 2015 are consistent with the estimates as at the same date made previously. IFRS estimates as at July 1, 2015 are consistent with the estimates as at the same date made in conformity with approved accounting standards in Pakistan.

The other compulsory exceptions of IFRS 1 have not been applied as these are not relevant to us or have not been early adopted:

- Derecognition of financial assets and financial liabilities
- Hedge accounting
- Non-controlling interests
- Embedded derivatives;
- Classification and measurement of financial assets, and
- Government grants

As we have not early adopted IFRS 9: Financial Instruments, we have not considered the application of the compulsory exception for classification and measurement of financial assets.

### **IFRS optional exemptions:**

We have applied the following exemptions as of July 1, 2015:

IFRS 3 'Business Combinations' has not been applied to either acquisitions of subsidiaries that are considered businesses under IFRS as issued by the IASB, or acquisitions of interests in associates and joint ventures that occurred before July 1, 2015. Use of this exemption means that the local GAAP carrying amounts of assets and liabilities, that are required to be recognized under IFRS as issued by the IASB, is their deemed cost at the date of the acquisition. After the date of the acquisition, measurement is in accordance with IFRS as issued by the IASB. Assets and liabilities that do not qualify for recognition under IFRS as issued by the IASB are excluded from the opening IFRS as issued by the IASB statement of financial position. We did not recognize or exclude any previously recognized amounts as a result of IFRS as issued by the IASB recognition requirements.

IFRS 1 allows that carrying amount of goodwill based on the previous GAAP be used in the opening IFRS as issued by the IASB statement of financial position (after adjustments for goodwill impairment and recognition or derecognition of intangible assets). In accordance with IFRS 1, we have tested goodwill for impairment at the date of transition to IFRS. As at July 1, 2015, we had impaired goodwill of iSky Inc. amounting to \$1.7 million.

We have not applied IAS 21 retrospectively to fair value adjustments and goodwill from business combinations that occurred before the date of transition to IFRS as issued by the IASB. Such fair value adjustments and goodwill are treated as assets and liabilities of the parent rather than as assets and liabilities of the acquiree. Therefore, those assets and liabilities are already expressed in the functional currency of the parent or are non-monetary foreign currency items and no further translation differences occur.

The additional optional exemptions from full retrospective application of IFRS as issued by the IASB were considered by the Company but were not taken.

### **Critical Accounting Estimates and Judgements**

The preparation of financial statements in accordance with IFRS as issued by the IASB requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the periods then-ended. Accounting

estimates require the use of significant assumptions and judgments as to future events, and the effect of those events cannot be predicted with certainty. The accounting estimates will change as new events occur, more experience is acquired and more information is obtained. We evaluate and update our assumptions and estimates on an ongoing basis and use outside experts to assist in that evaluation when we deem necessary. Our significant accounting policies, which may be affected by our estimates and assumptions, are discussed further in Note 2.6 to our audited consolidated audited financial statements (critical accounting estimates and judgements) included elsewhere in this prospectus.

In the process of applying our accounting policies, we have made the following estimates and judgments which are significant to the consolidated financial statements:

**Accounting Estimates**

*Impairment of Intangibles*

Goodwill: The calculation for considering the impairment of the carrying amount of goodwill requires a comparison of the recoverable amount of the cash-generating units to which goodwill has been allocated, to the value of goodwill and the associated assets in the consolidated statement of financial position. The calculation of recoverable amount requires an estimate of the future cash flows expected to arise from the cash generating unit. Judgement is applied in selection of a suitable discount rate and terminal value. The key assumptions made in relation to the impairment of goodwill are set out in Note 4 to our audited consolidated financial statements.

Indefinite Lived Intangibles: The indefinite lived intangibles are tested for impairment by comparing their carrying amount to the estimates of their fair value based on estimates of discounted cash flow method. When the fair value is determined to be less than the carrying amount, the resulting impairment is recognised in the financial statements.

Depreciation and Amortization: Estimation of useful lives of property and equipment and intangible assets. We estimate the useful lives of property and equipment and intangible assets based on the period over which the assets are expected to be available for use. The estimated useful lives of property and equipment and intangible assets are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the assets.

**Judgments**

Training revenue: In relation to the recognition of training revenue and associated incremental direct expenses, we concluded that 1) as training revenue does not have a standalone value to the customer it should be amortized on a straight-line basis over the life of the client contract 2) as direct expenses relate directly to each customer contract, generated or enhanced resources that will be used in satisfying performance obligations in the future and are expected to be recovered in full should be deferred and amortized on a straight-line basis over the life of the client contract.

Renewal commission revenue: We recognize insurance commission on policies already sold but expected to be renewed and collected in future years. The expected renewal commission revenues are estimated, based on historical policy retention patterns and discounted at an appropriate discount rate. Renewal receivables are subsequently adjusted when related revenue is realized or in the event where the policies are not renewed.

Staff retirement plans and other employee benefits: The net defined benefit pension scheme assets or liabilities are recognized in our consolidated statement of financial position. The determination of the position requires assumptions to be made regarding future salary increases, mortality, discount rates and inflation. The key assumptions made in relation to the pension plans and share option plans are set out in Notes 18.1 and 23 to our audited consolidated financial statements, respectively.

Provision for taxation: We are subject to income tax in several jurisdictions and significant judgement is required in determining the provision for income taxes. During the ordinary course of business, there are transactions and calculations for which the ultimate tax determination is uncertain. As a result, we recognize tax liabilities based on estimates of whether additional taxes and interest will be due. These tax liabilities are recognized when, despite our belief that our tax return positions are supportable, we believe that certain positions are likely to be challenged and may not be fully sustained upon review by tax authorities. We believe that our accruals for tax liabilities are adequate for all open audit years based on its assessment of many factors including past experience and interpretations of tax law. This assessment relies on estimates and assumptions and may involve a series of complex judgments about future events. To the extent that the final tax outcome of these matters is different than the amounts recorded, such differences will impact income tax expense in the period in which such determination is made.

Legal provisions: The Group reviews outstanding legal cases following developments in the legal proceedings and at each reporting date, in order to assess the need for provisions and disclosures in its financial statements. Among the factors considered in making decisions on provisions are the nature of litigation, claim or assessment, the legal process and potential level of damages in the jurisdiction in which the litigation, claim or assessment has been brought, the progress of the case (including the progress after the date of the financial statements but before those statements are issued), the opinions or views of legal advisers, experience on similar cases and any decision of the Group's management as to how it will respond to the litigation, claim or assessment.

De-facto control of Digital Globe Services Limited: De-facto control exists when the size of an entity's own voting rights relative to the size and dispersion of other vote holders, give the entity the practical ability unilaterally to direct the relevant activities of another entity. TRGI held between 42.9% and 49.9% of voting rights in Digital Globe Services Limited during the period from 2013 to 2016, with the remaining voting rights being held by numerous unrelated individual shareholders. Other than Mr. Jeffrey Cox, the chief executive officer of Digital Globe Services Limited, who held between 12.9% and 19.5% of Digital Globe Services Limited shares in this time, no other shareholder held more than 8% of Digital Globe Services Limited shares at any time, and between 22% and 30% of Digital Globe Services Limited's shares were held by shareholders with less than 3% holdings. Management has determined that TRGI retained the practical ability unilaterally to direct the relevant activities of Digital Globe Services Limited throughout this time, and has included the entity as an entity under common control for the purposes of the business combination approach described in Note 2.2 to our audited consolidated financial statements.

## **Components of Results of Operations**

### **Revenues**

#### *Customer Management*

A substantial majority of revenues in our Customer Management segment are based upon a price per unit of time or customer interaction. In such a case, we either charge our clients a base rate per unit of time that an agent is engaged in servicing the client's customers or charge an overall rate per customer interaction. Base rates could be adjusted up or down depending upon our performance against metrics agreed with each client. Additionally, a portion of our revenues in the Customer Engagement solution of our Customer Management segment is charged on a "software as a service" basis for software and other technology related solutions.

#### *Customer Acquisition*

A substantial majority of revenues in the Customer Acquisition segment is generated under a fee-per-customer arrangement in which clients pay a fixed commission for each customer that we successfully acquire on their behalf. In some cases, we also receive a commission payment upon the annual renewal of that acquired customer. We also receive incentive payments upon the achievement of certain volume thresholds.

**Operating Expenses**

*Employee Benefits Expenses*

Employee benefits expenses consists of salaries, incentive compensation and employee benefits for all employees. The majority of this category relates to personnel engaged in client-facing service delivery, including delivery center agents, supervisors and other operations personnel of a client-facing nature. These costs will generally increase in proportion to our revenue and are therefore known as variable costs. The remaining expenses in this category relate to salaries, incentive compensation and employee benefits for full-time employees in our accounting, finance, human resources, legal, strategy, sales, marketing, client services, administrative and executive management functions. While these costs also generally increase in relation to our revenue, they do so at a lower rate and are semi-fixed in nature.

*Lead Expenses*

Lead expenses consists of the costs of generating or purchasing leads, which are expenses directly associated with acquiring new customers. These costs will generally increase in proportion to revenues from our Customer Acquisition segment, and are therefore variable costs within that segment. Lead expenses are costs associated with partnering with other firms in the identification, or sourcing of potential end-customers that are then used to create orders with the clients in the digital acquisition business and include costs for procuring from external vendors and internal generation of leads of potential customers interested in being contacted for Medicare insurance options. In the digital acquisition business, external vendors conduct their own marketing tactics that result in leads and these leads are expensed as incurred on either a per-lead/per-phone call purchase or as a per-install/activation expense. In the Medicare insurance agency division, the external vendors conduct their own marketing programs to identify Medicare beneficiaries in framework that is compliant with CMS guidelines. The Internal lead generation expenses comprise online marketing and paid search expenses and these leads are expensed as incurred.

*Depreciation and Amortization*

Depreciation and amortization relates to the depreciation of property, plant and equipment (primarily our entire physical and network infrastructure) and amortization of our software licenses and other intangibles.

*Other Operating Costs*

Other operating costs comprise rent and utilities, telecommunication, repairs and maintenance, travel, legal and professional, as well as other miscellaneous expenses. These costs will generally increase in relation to our revenue, although at a lower rate than variable expenses. This category also includes certain other expenses such as goodwill and intangibles impairment, foreign exchange gain or loss and bad debt write-downs.

**Operating Profit**

Operating profit is our earnings before interest and taxes and is a measure of our profit from ordinary operations. Operating profit is calculated as revenues minus total operating expenses.

**Finance Costs**

Finance costs consist principally of interest and other expenses paid on short- and long-term loans and borrowings, as well as interest accrued on the redeemable preferred shares and convertible preferred shares by one of our subsidiaries and interest and expenses on current account overdrafts and losses on adjustment for fair value of financial instruments.

**Income Tax Expense**

Income tax expense consists of the corporate income tax to be paid on our corporate profit, including deferred tax.

### **Net Profit / (Loss) for the Period**

Net profit / (loss) for the period consists of total of profit/(loss) for the period from continuing operations and from discontinued operations.

### **Adjusted EBITDA**

We define "EBITDA" as net profit / (loss) before finance costs, income tax (benefit)/expense, non-cash items of depreciation and amortization. We define "Adjusted EBITDA" as EBITDA before the effect of the following items: AIM delisting expenses, litigation and settlement expenses, goodwill impairment, other income and share-based payment. We use Adjusted EBITDA internally to establish forecasts, budgets and operational goals to manage and monitor our business, as well as evaluate our underlying historical performance. We believe that Adjusted EBITDA is a meaningful indicator of the health of our business as it reflects our ability to generate cash that can be used to fund recurring capital expenditures and growth. Adjusted EBITDA also disregards non-cash or non-recurring charges that we believe are not reflective of our long-term performance. We also believe that Adjusted EBITDA is widely used by investors, securities analysts and other interested parties as a supplemental measure of performance and liquidity.

Adjusted EBITDA may not be comparable to other similarly titled measures of other companies and has limitations as an analytical tool and should not be considered in isolation or as a substitute for analysis of our operating results as reported under IFRS as issued by the IASB. Some of these limitations are as follows:

- although depreciation and amortization expense is a non-cash charge, the assets being depreciated and amortized may have to be replaced in the future, however, Adjusted EBITDA does not reflect cash capital expenditure requirements for such replacements or for new capital expenditure requirements;
- Adjusted EBITDA is not intended to be a measure of free cash flow for our discretionary use, as it does not reflect: (i) changes in, or cash requirements for, our working capital needs; (ii) debt service requirements; (iii) tax payments that may represent a reduction in cash available to us; and (iv) other cash costs that may recur in the future;
- other companies, including companies in our industry, may calculate Adjusted EBITDA or similarly titled measures differently, which reduces its usefulness as a comparative measure.

Because of these and other limitations, you should consider Adjusted EBITDA in conjunction with other IFRS-based financial performance measures, including cash flows from operating activities, investing activities and financing activities, net profit / (loss) and our other IFRS financial results.

### **Adjusted EBITDA Margin**

We calculate "Adjusted EBITDA Margin" as Adjusted EBITDA divided by revenues.

### **Net Debt**

We calculate "Net Debt" as total borrowings less cash and cash equivalents. Net debt excludes 1,538,462 senior preferred shares at June 30, 2017, which are mandatorily redeemable on or before June 6, 2018 at a redemption price of \$13.00 per share upon the event of a public offering of IBEX Holdings Limited, to the extent of the proceeds of such an offering.

**Results of Operations**

**Consolidated Statement of Comprehensive Income**

The following table sets forth our audited consolidated statements of operations data for the periods presented:

	Fiscal Year Ended June 30,		
	2016	2017	Change %
	\$ in millions		
<b>Revenue</b>	<b>\$ 323.0</b>	<b>\$ 334.0</b>	<b>3.4%</b>
<b>Other Operating Income</b>	<b>\$ 0.6</b>	<b>\$ 0.5</b>	<b>(20.0)%</b>
<b>Operating Expenses</b>			
Employee benefits expenses	(217.8)	(227.5)	4.5%
Reseller commission and lead expenses	(30.1)	(34.8)	15.6%
Depreciation and amortization	(12.6)	(13.8)	9.3%
Other operating expenses	(54.5)	(60.7)	11.3%
<b>Total Operating Expenses</b>	<b>\$ (315.0)</b>	<b>\$ (336.8)</b>	<b>6.9%</b>
<b>Operating Profit / (Loss)</b>	<b>\$ 8.6</b>	<b>\$ (2.3)</b>	<b>(N/M)</b>
Finance expenses	(5.1)	(6.4)	24.6%
<b>Profit / (Loss) before taxation</b>	<b>\$ 3.4</b>	<b>\$ (8.7)</b>	<b>N/M</b>
Income tax expense	(1.8)	(0.3)	(84.1)%
<b>Net Profit / (loss) for the year</b>	<b>\$ 1.6</b>	<b>\$ (9.0)</b>	<b>N/M</b>
<b>Non-GAAP measures</b>			
Adjusted EBITDA (unaudited)	\$ 22.9	\$ 16.2	(29.1)%
Adjusted EBITDA Margin (unaudited)	7.1%	4.9%	(31.4)%
Net Debt (unaudited)	\$ 49.3	\$ 36.6	(25.7)%

**Revenues by Reporting Segment**

The following table sets forth our revenues by reporting segment for the periods presented:

	Fiscal Year Ended June 30,		
	2016	2017	Change %
	\$ in millions		
<b>Revenues</b>			
Customer Management	\$ 259.1	\$ 256.9	(0.8)%
Customer Acquisition	63.9	77.1	20.6%
<b>Total Revenues</b>	<b>\$ 323.0</b>	<b>\$ 334.0</b>	<b>3.4%</b>



**Revenues by Geography**

We track revenue by the geographic location we serve based on where the client is located. The following table sets forth the amount and percentage of our consolidated revenue for the periods presented by client location.

	Fiscal Year Ended June 30,		
	2016	2017	Change %
	\$ in millions		
<b>Revenue by Location</b>			
United States of America	\$ 309.2	\$ 315.1	1.9%
Others	<b>13.8</b>	<b>18.9</b>	<b>37.0%</b>
<b>Total Revenue</b>	<b>\$ 323.0</b>	<b>\$ 334.0</b>	<b>3.4%</b>

Note: This table is indicative of client location and not the location where the service was performed.

**Fiscal Year Ended June 30, 2016 and 2017****Revenue**

Our revenues were \$334.0 million in the fiscal year ended June 30, 2017, an increase of \$11.0 million, or 3.4%, over 2016. The \$11.0 million increase in revenues was due to a strong performance at our Customer Acquisition segment, as further described below.

At our Customer Management segment, revenues were \$256.9 million in the fiscal year ended June 30, 2017, a decrease of \$2.2 million, or 0.8%, over 2016. Our revenue was impacted in fiscal year 2017 as two of our largest clients shifted the mix of their service delivery locations subsequent to recent merger and acquisition activity at each of these clients. During fiscal year 2017, our largest client accelerated its strategy to transition from domestic delivery locations to offshore and nearshore delivery locations, in line with its post-acquisition strategy. As a result, we reduced our domestic delivery headcount for this client, and significantly expanded our offshore and nearshore agent base. During the same period, our second largest client, which had, during the previous year, developed a significant offshore presence to service the increased demand resulting from acquisition related integration, changed its outsourcing strategy to an entirely domestic delivery model. Accordingly, we rapidly decreased our offshore headcount for this client, and over the course of the year, increased our domestic headcount to reflect the client's new strategy. In addition, and especially for our second largest client, the decrease of our offshore agent pool servicing that client meant that our total headcount and revenues for that client initially declined, and then increased as we gradually on-boarded agents onshore over the next several quarters.

We believe these shifts to be of a non-recurring nature and that upon completion of these shifts, the end state will be margin accretive to us on a run rate basis. However, during the transition year of fiscal year 2017, revenues were adversely impacted by the timing lags between the loss of revenues at the locations those clients shifted away from and the commencement of replacement revenues at the locations to which they shifted, as well as the impact of reduced billing rates at offshore locations. We have estimated that the non-recurring revenue impact associated with this shift during fiscal year 2017 was \$9.4 million; comprised of a \$13.8 million decline from our largest client shifting volume from onshore to offshore locations and a net \$4.4 million increase from our other large client as offshore service delivery ceased abruptly, with volumes transferred gradually onshore. In addition, we lost two clients during fiscal year 2017 that were in excess of our historical client loss experience. For fiscal year 2016, these two clients generated \$11.1 million; for fiscal year 2017, these two clients generated \$3.6 million. The adverse revenue dynamic from these non-recurring client situations was substantially offset by revenue growth elsewhere in fiscal year 2017, including new logo wins and expansion at other existing customers.

At our Customer Acquisition segment, revenues were \$77.1 million in the fiscal year ended June 30, 2017, an increase of \$13.2 million, or 20.6%, over 2016. The \$13.2 million increase in revenues was driven by favorable

performance in our Medicare insurance agency division and the digital acquisition business within Customer Acquisition. Our Medicare insurance agency division, driven primarily by growth in sales of Medicare health insurance products and the resultant rise in our policies on book, increased in revenues by \$6.2 million or 38.3% over 2016. Our digital acquisition business within Customer Acquisition, driven primarily by growth in top clients and resellers, including new client wins, increased in revenues by \$7.0 million or 14.6% over 2016. Included in our Customer Acquisition results is revenue related to customer acquisition services that we provided to the education sector. In response to the changing regulatory landscape of that sector and the low profit margin that we generated on revenue earned, we voluntarily decided to reduce our exposure to that end market in fiscal year 2017. Our revenue related to customer acquisition services to the for-profit education industry was \$5.2 million and \$1.9 million in fiscal 2016 and 2017, respectively. Excluding customer acquisition revenue associated with the education end market, our revenue growth in fiscal 2017 would have been 24.3%.

Our top three clients accounted for 63.1% and 58.4% of our revenues in the fiscal years ended June 30, 2016 and 2017, respectively. Our top client accounted for 32.5% and 25.7% of our revenues in the fiscal years ended June 30, 2016 and 2017, respectively.

#### **Operating Expenses**

Total operating expenses were \$336.9 million in the fiscal year ended June 30, 2017, an increase of \$21.8 million, or 6.9%, over 2016. The increase in operating expenses was primarily due to increases in personnel costs and reseller commission and lead expenses.

Salary and employee benefits expenses were \$227.6 million in the fiscal year ended June 30, 2017, an increase of \$9.7 million, or 4.5%, over 2016. This increase in salary and employee benefits expenses was due primarily to increased headcount required to support the growing needs of our business. Within our Customer Management segment, costs increased as a result of the opening of new delivery centers, especially offshore in the Philippines and nearshore in Jamaica and Nicaragua. The expansion of our delivery center network impacted our salary and employee benefits expenses, as each such expansion requires additional personnel, and we typically do not realize revenues to cover these costs until billable service commences. In addition, our fiscal year 2017 costs included costs attributable to the relocation of service delivery for our two largest clients, including costs associated with training a large number of agents, as our largest client boosted offshore headcount during the year by 1,250 agents and our second largest client increased onshore headcount during the year by 570 agents. In addition, our salary and employee benefit expenses were adversely affected by the aforementioned delivery model shift undertaken by our second largest client, with whom we shifted from relatively lower cost offshore delivery to relatively higher cost onshore delivery.

Reseller commission and lead expenses were \$34.8 million in the fiscal year ended June 30, 2017, an increase of \$4.7 million, or 15.6%, over 2016. The \$4.7 million increase in reseller commission and lead expenses was due to the strong growth in our Customer Acquisition segment. Revenues generated by our Customer Acquisition segment grew faster than the associated reseller commission and lead generation expenses during the fiscal year ended June 30, 2017, which favorably impacted our operating income margin. This margin benefit was generated by our ability to more efficiently source leads, through the benefit of operating scale and our ability to qualify for incentive bonuses set up by our clients that reward us for execution performance.

Depreciation and amortization expense was \$13.8 million in the fiscal year ended June 30, 2017, an increase of \$1.2 million, or 9.3%, over 2016. The \$1.2 million increase in depreciation and amortization expense was primarily due to increased capital expenditures associated with facilities expansion in our Customer Management segment, especially those related to our decision to build our own 720-seat nearshore delivery center facility in Jamaica, and also to significant investment in technology in our Customer Management segment.

Other operating expenses were \$60.7 million in the fiscal year ended June 30, 2017, an increase of \$6.2 million, or 11.3%, over 2016. Key drivers of this increase were \$5.4 million of non-recurring costs incurred during fiscal year

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2017. These non-recurring expenses consisted of a \$1.0 million expense related to delisting transactions on the London Stock Exchange and \$4.1 million of litigation and settlement costs and accruals for several litigation matters, consisting of approximately \$2.1 million in legal and settlement costs for a litigation case brought against DGS EDU LLC, and \$2.0 million in legal and settlement costs and accruals for litigation matters brought against IBEX Global Solutions, with the bulk of such expenses arising out of a class action lawsuit currently pending in the US District Court of Tennessee. See "Business Section—Legal Proceedings."

**Operating Profit / (Loss)**

As a result of the above, we had an operating loss of \$2.3 million in the fiscal year ended June 30, 2017, as compared to an operating profit of \$8.6 million in the same period in 2016. Our reduction in operating profit in fiscal year 2017 reflected the non-recurring expenses described above in other operating costs and in salary and employee benefits expenses.

Our operating profit margin decreased from 2.7% to (0.7)%. Excluding the impact of non-recurring items outlined in our financial statements, our operating profit margin would have decreased from 3.2% to 0.7%. If we further exclude the one-time impact of the shift of business between onshore and offshore locations at our two largest clients during fiscal year 2017, we estimate that our operating profit margin would have stayed flat at 2.7% in both years.

**Finance Expenses**

Finance expenses were \$6.4 million in the fiscal year ended June 30, 2017, an increase of \$1.3 million over 2016. The \$1.3 million increase in finance costs was due to the increased level of debt in fiscal year 2017 versus the previous fiscal year.

**Income Tax Expense**

Income tax expense was \$0.3 million in the fiscal year ended June 30, 2017, a decrease of \$1.6 million over 2016. The \$1.6 million decrease in income tax expense was primarily due to group pre-tax losses in the 2017 fiscal year of \$7.5 million compared to group pre-tax profit in the 2016 fiscal year of \$2.8 million, a decrease of \$10.3 million. This movement had a significant impact on current and deferred income tax expense.

**Net Profit / (Loss)**

Net loss was \$9.0 million in the fiscal year ended June 30, 2017, a decrease of \$10.6 million over 2016. Net profit margin decreased by 3.2% to (2.7)% primarily due to the same factors adversely impacting the operating profit margin, discussed in the previous section, augmented by higher finance costs and offset by a lower income tax expense.

**Adjusted EBITDA**

The following table provides a reconciliation of Adjusted EBITDA to our net profit / (loss):

	Fiscal Year Ended June 30,	
	2016	2017
	(unaudited)	
	\$ in thousands	
<b>Reconciliation of Adjusted EBITDA to Net Profit / (Loss)</b>		
Net profit / (loss) for the year	\$ 1,571	\$ (9,013)
Finance costs	5,130	6,393
Income tax expense	1,861	295
Depreciation and amortization	12,655	13,832

	Fiscal Year Ended June 30,	
	2016	2017
	(unaudited)	
	\$ in thousands	
<b>EBITDA</b>	<b>\$ 21,217</b>	<b>\$ 11,507</b>
Non-recurring expenses <sup>(a)</sup>	\$ 345	\$ 5,393
Foreign exchange losses	90	422
Goodwill impairment <sup>(b)</sup>	1,426	54
Other income <sup>(c)</sup>	(1,256)	(1,416)
Share-based payment	1,080	275
<b>Adjusted EBITDA</b>	<b>\$ 22,902</b>	<b>\$ 16,235</b>

- (a) Represents expenses of \$1.0 million incurred to delist the shares of IBEX Global Solutions Ltd. and Digital Globe Services, Ltd. from the AIM segment of the London Stock Exchange. Also represents litigation and settlement costs and accruals for several litigation matters, consisting of \$2.1 million (2017) in legal and settlement costs for a legal proceeding brought against DGS EDU LLC, and \$2.0 million (2017) in legal and settlement costs and accruals for legal proceedings brought against IBEX Global Solutions, with the bulk of such expenses arising out of a class action lawsuit currently pending in the United States federal district court of Tennessee. See "Business—Legal Proceedings."
- (b) The \$54,000 impairment loss recognized in the fiscal year ended June 30, 2017 related to the closure in December 2016 of a facility acquired by a DGS cash-generating unit. The \$1.4 million impairment loss recognized in the fiscal year ended June 30, 2016 related to the write-off of the goodwill attributable to the DGS EDU LLC business.
- (c) Represents non-recurring income attributable to a now-expired arrangement under which TRGI reimbursed for the purchase of certain software that was also used by other TRGI group companies.

Our consolidated Adjusted EBITDA was \$16.2 million in the fiscal year ended June 30, 2017, a decrease of \$6.7 million, or 29.1%, over 2016.

Our finance costs of \$5.1 million and \$6.4 million in fiscal years 2016 and 2017, respectively, includes a portion attributable to high-interest debt that we intend to repay from the proceeds of this offering. Among our non-cash expenses, we recognized a \$1.4 million goodwill impairment charge in fiscal year 2016 due to the write-down of DGS EDU LLC, a previously acquired business relating to for-profit online education, and a \$54,000 impairment loss in the fiscal year ended June 30, 2017 related to the closure in December 2016 of a facility acquired by a DGS cash-generating unit. Non-cash expenses also include share-based payment recognized in respect of equity grants made under existing stock option plans maintained by certain of the Continuing Business Entities (which will be replaced with the 2017 Stock Plan upon the completion of this offering).

Non-recurring expenses included within other operating costs total \$0.3 million and \$5.4 million in fiscal years 2016 and 2017, respectively. These non-recurring expenses in fiscal year 2017 included a \$1.0 million expense related to delisting the shares of IBEX Global Solutions Ltd. and Digital Globe Services, Ltd. from the AIM segment of the London Stock Exchange and \$4.0 million of litigation and settlement costs and accruals for several litigation matters, consisting of \$2.1 million in legal and settlement costs for a legal proceeding brought against DGS EDU LLC, and \$2.0 million in legal and settlement costs and accruals for legal proceedings brought against IBEX Global Solutions, with the bulk of such expenses arising out of a class action lawsuit currently pending in the United States federal district court of Tennessee. See "Business—Legal Proceedings."

Adjusted EBITDA also includes an adjustment for non-recurring income of \$1.3 million and \$1.4 million in fiscal years 2016 and 2017, respectively, attributable to a now-expired arrangement under which TRGI reimbursed us for the purchase of certain software that was also used by other TRGI group companies.

**Adjusted EBITDA Margin**

Our Adjusted EBITDA Margin was 4.9% for the fiscal year ended June 30, 2017 compared to 7.1% for the fiscal year ended June 30, 2016. The decline in Adjusted EBITDA Margin was primarily due to our two largest customers, within our Customer Management segment, shifting the service delivery location of a significant portion of their revenues during the fiscal year ended June 30, 2017. One of these two customers shifted significant volume from onshore to offshore locations, whereas the other client shifted volume from offshore to onshore locations. During the course of the fiscal year, as we transitioned volumes, we incurred transition costs such as training expenses, and also realized lower revenues than what we would have in the absence of this transition given that employees undergoing training were not in a revenue producing position during the duration of their training. This transition impacted our profitability and Adjusted EBITDA Margin.

**Net Debt**

Net debt as of June 30, 2017 decreased to \$36.6 million from \$49.3 million as of June 30, 2016 primarily due to the change in mix of financing sources at our Medicare Insurance Agency Division within our customer acquisition segment. During 2017 our Medicare Insurance Agency Division repaid a portion of their debt through issuance of preference shares.

**Liquidity and Capital Resources**

Our principal liquidity needs are to fund our working capital requirements and to finance capital expenditures (consisting of additions to property and equipment and to intangible assets).

We had negative working capital of \$11.3 million as of June 30, 2017, \$18.7 million as of June 30, 2016 and \$8.7 million as of July 1, 2015. Overall, our working capital balance at each of these dates was negative primarily due to the negative working capital at our Medicare insurance agency division within our Customer Acquisition segment. The negative working capital balance at our Medicare insurance agency division reflects the largely long-term nature of our trade receivables from that business related to the recognition of renewal commission revenue, which we have funded from a mix of financing sources that possess a significant short-term component.

The \$10.0 million increase in our negative working capital balance from July 1, 2015 to June 30, 2016 was primarily attributable to the increase in short-term borrowings to finance the robust growth in the number of Policies on Book generated at our Medicare insurance agency division, as well as a write-off of certain trade receivables in the remaining portion of our Customer Acquisition segment and, to a lesser extent, an increase in days sales outstanding on our trade receivables at our Customer Management segment. The \$7.4 million decrease in our negative working capital balance from June 30, 2016 to June 30, 2017 was primarily attributable to the positive working capital balance of our Customer Management and Customer Acquisition segment due to the decrease in its short-term borrowings.

We incur capital expenditures related to the opening of new delivery centers, maintenance and upgrade of existing delivery centers, maintenance and enhancement of our network infrastructure and purchase of intangibles (primarily software licenses). During the fiscal year ended June 30, 2017, we invested \$11.0 million on capital expenditures, a significant portion of which was related to the opening of two new delivery centers in our Customer Management segment located in the Philippines and Jamaica, upgrading and expansion of existing delivery centers in the U.S. and the Philippines in our Customer Management segment and, to a lesser extent, the opening of two new facilities for the Medicare insurance agency division of our Customer Acquisition segment. During the fiscal year ended June 30, 2016, we invested \$11.8 million on capital expenditures, a significant portion of which was related to the opening of a new delivery center facility in Nicaragua, construction of a new delivery center facility in Jamaica, upgrading and expansion of existing delivery centers in the U.S. and the Philippines in our Customer Management segment and, to a lesser extent, investment in technology and delivery center expansion in our Customer Acquisition segment.

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Historically, we have met our liquidity needs through cash generated from our operating activities and from cash generated by financing activities, including borrowings under credit facilities, private placements of debt securities and preferred shares and capital leases, as described in more detail below under “—Financing Arrangements.” As of June 30, 2017, the total amount of credit available to us under our revolving credit facilities and lines of credit was \$7.7 million. We also have financing arrangements in place with financial institutions to accelerate collection of receivables. As of June 30, 2017, we had cash and cash equivalents of \$21.3 million. Of this amount, \$4.2 million is located outside of the United States, and \$2.1 million of this is subject to restrictions on our ability to repatriate such funds.

As of June 30, 2017, our outstanding debt under our credit facilities, private placements of debt securities and preferred shares and capital leases amounted to \$56.2 million. Of this amount, \$41.2 million represented long-term financing obligations under credit facilities, \$5.9 million represented capital lease obligations related to the purchase of equipment and build-out of delivery centers and \$9.1 million represented private placement notes.

Our future liquidity requirements will depend on many factors, including our growth rate, the timing and extent of spending to open new delivery centers and support development efforts, our expansion of sales and marketing activities and the introduction of new and enhanced technology offerings. We may in the future enter into arrangements to acquire or invest in complementary businesses, services and technologies and intellectual property rights.

Management believes that our existing cash balance together with cash generated from our operations, availability under our existing revolving credit facilities and the anticipated net proceeds from this offering will be sufficient to meet our liquidity requirements for at least the next twelve months.

**Cash Flows**

	Fiscal Year Ended June 30,	
	2016	2017
	\$ in millions	
Net cash inflow from / (used in):		
Operating activities	\$ 3.0	\$ 6.6
Investing activities	(11.6)	(9.8)
Financing activities	12.2	15.0
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>\$ 3.6</b>	<b>\$ 11.9</b>
<b>Cash and cash equivalents, beginning of year</b>	<b>5.8</b>	<b>9.5</b>
<b>Cash and cash equivalents, end of year</b>	<b>9.5</b>	<b>21.3</b>

**Cash Flows from Operating Activities**

Net cash inflow from operating activities during the fiscal year ended June 30, 2017 was \$6.6 million compared with cash provided of \$3.0 million during the fiscal year ended June 30, 2016. The \$3.6 million increase in net cash inflow from operating activities was primarily attributable to the increase in our revenue and collection thereof.

**Cash Flows from Investing Activities**

Net cash used in investing activities was \$9.8 million during the fiscal year ended June 30, 2017 compared with cash used of \$11.6 million during the fiscal year ended June 30, 2016.

During the fiscal year ended June 30, 2017, we expended \$9.8 million on investing activities, primarily related to the purchase of property and equipment of \$9.0 million and purchase of intangible assets of \$0.9 million. A significant portion of our investing activities was related to the opening of two new delivery centers in our Customer

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Management segment located in the Philippines and Jamaica, upgrading and expansion of existing delivery centers in the U.S. and the Philippines in our Customer Management segment and, to a lesser extent, the opening of two new facilities for the Medicare insurance agency division within our Customer Acquisition segment.

During the fiscal year ended June 30, 2016, we expended \$11.6 million on investing activities, primarily related to the purchase of property and equipment of \$9.5 million, the purchase of intangible assets of \$1.4 million and investments of \$0.9 million. A significant portion of our investing activities was related to the opening of a new delivery center facility in Nicaragua, construction of a new delivery center facility in Jamaica, upgrading and expansion of existing delivery centers in the U.S. and the Philippines in our Customer Management segment and, to a lesser extent, investment in technology and delivery center expansion in our Customer Acquisition segment.

**Cash Flows from Financing Activities**

Net cash inflow from financing activities was \$15.0 million during the fiscal year ended June 30, 2017 and \$12.2 million during the fiscal year ended June 30, 2016.

Net cash inflow from financing activities of \$15.0 million cash during the fiscal year ended June 30, 2017 primarily reflected proceeds from line of credit of \$4.8 million, proceeds from borrowings of \$25.1 million, repayment of borrowings of \$11.7 million and \$1.0 million paid as dividends.

Net cash inflow from financing activities of \$12.2 million cash during the fiscal year ended June 30, 2016 primarily reflected proceeds from line of credit of \$13.3 million, proceeds from borrowings of \$16.5 million, repayment of borrowings of \$19.7 million, proceeds from related party loans of \$12.6 million and the payment of \$6.6 million dividends.

**Financing Arrangements**

Through our subsidiaries we are party to a number of financing arrangements with banks, financial institutions and private investors that serve to meet our liquidity requirements. These arrangements include credit facilities, lines of credit, receivables financing arrangements, term loans, capital leases and equipment leases, as well as private placements of debt securities and preferred shares. The following is a summary of the principal financing arrangements utilized by our Customer Management and Customer Acquisition segments. The following descriptions do not purport to be complete and are qualified in their entirety by reference to the agreements and related documents referred to below, copies of which have been filed as exhibits to the registration statement of which this prospectus forms a part.

**Customer Management**

*PNC Credit Facility*

In November 2013, our subsidiary TRG Customer Solutions, Inc. entered into a three-year \$35.0 million revolving credit facility (as amended, the "PNC Credit Facility") with PNC Bank, N.A. ("PNC"). In June 2015, the amount of availability under the PNC Credit Facility was increased to \$40.0 million, with an additional \$10.0 million of incremental availability (subject to PNC's approval and satisfaction of conditions precedent), and the maturity date of the PNC Credit Facility was extended to May 2020. The line of credit balance as of June 30, 2017 was \$20.9 million compared to \$17.0 million as of June 30, 2016. In June 2016, the PNC Credit Facility was amended to add a Term Loan A of \$6.0 million, which was drawn down in full, and a Term Loan B of \$4.0 million (subject to satisfaction of conditions precedent), which was never drawn down and cancelled. In addition, the PNC Credit Facility was amended in June 2016 to include a \$3.0 million non-revolving line of credit for purchases of equipment, which was drawn down in full. The current balance of this line as of June 30, 2017 was \$2.3 million compared to \$1.8 million as of June 30, 2016. In November 2016, the PNC Credit Facility was amended by adding a Term Loan C of \$16.0 million, which was drawn down in full with \$6.0 million applied to repay in full Term Loan A. Term Loan C is required to be repaid in 54 equal monthly installments (commencing six months after the drawdown date). The term loan balance as of June 30, 2017 was \$14.2 million compared to \$6.0 million as of June 30, 2016.

As of June 30, 2017, \$37.4 million was outstanding under the PNC Credit Facility. Of this amount, \$25.5 million represents short-term borrowings under the revolving line of credit, and the current portion of long-term indebtedness under Term Loan C and the equipment line of credit and \$11.9 million represents long-term indebtedness under Term Loan C and the equipment line of credit.

Borrowings under the PNC Credit Facility bear interest at LIBOR plus a margin of 1.75% and / or the PNC Commercial Lending Rate for domestic loans.

Amounts owed under the PNC Credit Facility are secured by substantially all of TRG Customer Solutions, Inc.'s assets.

Upon the occurrence of a "Springing Covenant Event," which means that TRG Customer Solutions, Inc. has not complied with certain borrowing requirements, TRG Customer Solutions, Inc. must maintain a Fixed Charge Coverage Ratio (as defined in the PNC Credit Facility) of not less than 1.00 to 1.00, measured on (a) the trailing six months for the fiscal quarter ended December 31, 2016, (b) the trailing nine months for the fiscal quarter ended March 31, 2017, (c) the trailing 12 months for the fiscal quarter ended June 30, 2017, and (d) on a rolling four-quarter basis for each fiscal quarter ending after June 30, 2017. To date we have not been subject to the application of the Fixed Charge Coverage Ratio. The PNC Credit Facility also contains negative covenants limiting mergers and consolidations, acquisitions and sales of assets, liens, the making of loans and guarantees and dividends, which are subject to exceptions and qualifications.

The PNC Credit Facility contains customary events of default, including payment default, failure to comply with covenants or other obligations, material misrepresentations, events which have a material adverse effect, certain bankruptcy events, and changes of control.

As of June 30, 2017, TRG Solutions, Inc. was in compliance with the covenants under the PNC Credit Facility.

*Receivables Financing Agreement with Citibank, N.A.*

In June 2015, our subsidiary TRG Customer Solutions, Inc. entered into a supplier agreement with Citibank, N.A. (the "Citibank Receivables Financing Agreement"). Pursuant to the Citibank Receivables Financing Agreement, Citibank provides payment to TRG Customer Solutions, Inc. for accounts receivable owed to TRG Customer Solutions, Inc. from AT&T Services Inc. and its various subsidiaries and affiliates located in the United States. All payments from Citibank to TRG Customer Solutions, Inc. are subject to a discount charge. The discount rate used to calculate the discount charge is the product of (i) the LIBOR rate for the period most closely corresponding to the number of days in the period starting from and including the date the proceeds are remitted by Citibank to TRG Customer Solutions, Inc. (the "Discount Acceptance Period") plus 0.80% per annum and (ii) the Discount Acceptance Period divided by 360. The discount charge during the fiscal year ended June 30, 2017 averaged approximately 0.18% of net sales.

*Receivables Financing Agreement with Seacoast National Bank*

In July 2011, our subsidiary TRGiSKY, Inc. entered into a purchasing agreement (the "Seacoast Receivables Financing Agreement") with FCC, LLC, the predecessor to Seacoast National Bank ("Seacoast"). Pursuant to the Seacoast Receivables Financing Agreement, Seacoast provides payment to TRGiSKY, Inc. for up to \$1.5 million of accounts receivable owed to TRGiSKY, Inc. All payments from Seacoast to TRGiSKY, Inc. are subject to a discount of 1.0% for receivables outstanding 30 days or less and an additional 0.5% for each additional 15 days that such receivable is outstanding. The average discount during the fiscal year ended June 30, 2017 was approximately 1.7% of net sales. Under the Seacoast Receivables Financing Agreement, Seacoast may also advance an amount up to 85% of TRGiSKY, Inc.'s receivables to TRGiSKY, Inc. at a rate of LIBOR plus 7.0%.



The Seacoast Receivables Financing Agreement requires TRGiSKY, Inc. to sell \$0.2 million of receivables per month to Seacoast, subject to a penalty based on the discount fee if such minimum is not met. The Seacoast Receivables Financing Agreement is automatically renewed for successive 12-month periods unless terminated in accordance with its terms.

### **Customer Acquisition**

#### *Heritage Bank of Commerce Credit Facility*

In March 2015, our subsidiaries Digital Globe Services, Inc., TelSatOnline Inc. and DGS EDU LLC entered into a one-year \$3.5 million revolving credit facility (as amended, the "HBC Credit Facility") with Heritage Bank of Commerce ("HBC"). In March 2016, the HBC Credit Facility was amended to increase the credit line capacity to \$5.0 million and to extend its maturity date until March 31, 2018, subject to collateral review. On November 27, 2017, the HBC Credit Facility was amended to extend the Maturity Date to March 31, 2019 and to allow for certain distributions to the Company. As of June 30, 2017, \$2.5 million of indebtedness was outstanding under the HBC Loan Facility.

Borrowings under the HBC Credit Facility bear interest at the Prime Rate plus a margin of 2.50%.

Amounts owed under the HBC Credit Facility are secured by substantially all of the borrower's assets.

Availability of amounts under the HBC Credit Facility is subject to the achievement of EBITDA (as defined in the HBC Loan Agreement) of at least \$750,000 by Digital Globe Services, Inc., TelSatOnline Inc., DGS EDU LLC and all other DGS subsidiaries for the trailing six months ending on each quarter end during the term of the facility.

The HBC Credit Facility also contains negative covenants limiting mergers and consolidations, acquisitions and sales of assets, liens, the making of loans and guarantees and dividends, storage of inventory, and payments of subordinated debt, which are subject to exceptions and qualifications.

The HBC Credit Facility contains customary events of default, including payment default, failure to comply with covenants or other obligations, material misrepresentations, events which have a material adverse effect, certain bankruptcy events, and changes of control.

As of June 30, 2017, we were fully compliant with the reporting and financial covenants except for certain events of default for six-month rolling Adjusted EBITDA covenants for June 2016, September 2016 and June 2017. Under the terms of the loan agreement, such defaults give HBC the right to call for immediate repayment of the balance owed. HBC has waived these defaults on September 30, 2016, December 14, 2016 and September 1, 2017.

#### *e-TeleQuote Insurance, Inc. Senior Secured Notes (2015 Series)*

In February 2015, our subsidiary e-TeleQuote Insurance, Inc. issued \$4.9 million aggregate principal amount of 18.0% senior secured notes due February 19, 2016, guaranteed by TRGI and our subsidiary Etelequote plc (the "2015 ETQ Notes"), in a private placement to a consortium of private investors. An additional \$1.0 million aggregate principal amount of the 2015 ETQ Notes was issued in two tranches in June and July 2015. The proceeds of the issuance of the 2015 ETQ Notes were used to repay \$3.0 million of indebtedness under outstanding senior secured notes issued in 2014 and for working capital purposes.

#### *e-TeleQuote Insurance, Inc. Senior Secured Notes (2016 Series)*

In February and April 2016, e-Telequote Insurance, Inc. issued \$10.0 million aggregate principal amount of 15.0% senior secured notes due February 19, 2017, guaranteed by TRGI and e-Telequote Plc (the "2016 ETQ Notes"), to a consortium of private investors. The proceeds of the issuance of the 2016 ETQ Notes were used to repay the 2015 ETQ Notes and for working capital purposes. The 2016 ETQ Notes were prepaid by e-Telequote Insurance, Inc. in

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June 2016 with the proceeds of \$10.0 million from a loan made by TRGI to e-Telequote Insurance, Inc.'s parent, e-Telequote Plc, under the June 2016 TRGI Loan Agreement (as defined below) which on June 30, 2016 was converted into an equivalent principal amount of convertible loan notes under the convertible loan agreement.

*June 2016 TRGI Loan Agreement*

Pursuant to a loan agreement dated as of June 20, 2016 (the "June 2016 TRGI Loan Agreement"), TRGI made a loan in the principal amount of \$10.0 million to Etelequote PLC at an interest rate of 15.0% per annum, with a maturity date of February 20, 2017. The proceeds were used to prepay an equivalent principal amount of indebtedness owed by Etelequote PLC's subsidiary eTeleQuote Insurance, Inc. under the 2016 ETQ Notes. On June 30, 2016, Etelequote PLC refinanced the \$10.0 million loan under the June 2016 TRGI Loan Agreement by issuing to TRGI an equivalent principal amount of convertible loan notes under the Convertible Loan Facility. Pursuant to a July 20, 2016 amendment to the June 2016 TRGI Loan Agreement, TRGI made a \$5.0 million loan to Etelequote PLC at an interest rate of 15.0% per annum, with a maturity date of February 20, 2017. On September 30, 2016, Etelequote PLC refinanced the \$5.0 million loan made pursuant to the July 20, 2016 amendment to the June 2016 TRGI Loan Agreement by issuing \$5.2 million of convertible loan notes under the Convertible Loan Facility to TRGI. As a result, as of June 30, 2017, no indebtedness remains outstanding under the June 2016 TRGI Loan Agreement and it has been terminated.

*June 2017 TRGI Loan*

On June 15, 2017, TRGI made a \$1.0 million loan to Etelequote PLC at an interest rate of 15.0% per annum, with a maturity date of June 30, 2018.

*e-TeleQuote Insurance, Inc. Senior Secured Notes (2017 Series)*

In June 2017, e-TeleQuote Insurance, Inc. issued \$9.1 million aggregate principal amount of 12.0% senior secured notes due June 12, 2018 (the "2017 ETQ Notes"), guaranteed by TRGI with an option of early settlement by the borrower. In July 2017, e-TeleQuote Insurance, Inc. issued an additional \$0.9 million principal amount of 2017 ETQ Notes. The proceeds of the issuance of the 2017 ETQ Notes are being used for capital expenditures, working capital and other general corporate purposes. The 2017 ETQ Notes are secured by substantially all of the assets of e-TeleQuote Insurance, Inc.

The 2017 ETQ Notes contain provisions governing certain events of default, including, among others, failure to make payment of principal or interest on the 2017 ETQ Notes, bankruptcy or insolvency of e-TeleQuote Insurance, Inc. or the guarantor, and certain failures to perform or to observe any other obligation under the 2017 ETQ Notes. The occurrence of any of the events of default in the 2017 ETQ Notes would permit the acceleration of the indebtedness under the 2017 ETQ Notes.

*Etelequote Limited Convertible Notes*

Pursuant to a convertible loan note agreement dated November 1, 2013 (as amended, the "Convertible Debt Facility"), our subsidiary Etelequote Limited has issued \$25.8 million aggregate principal amount of 15.0% convertible loan notes (the "ETQ Convertible Notes") in several consecutive tranches from November 1, 2013 through March 31, 2017 to TRGI. The proceeds of the issuances of the ETQ Convertible Notes have been used to fund capital expenditures, working capital and other general corporate purposes and, in June 2016, to refinance indebtedness of e-TeleQuote Insurance, Inc. under the 2016 ETQ Notes. The ETQ Convertible Notes mature upon demand by TRGI. As of June 30, 2017, the aggregate amount outstanding under the ETQ Convertible Notes (including accrued and unpaid interest) before giving effect to the cancellation of a portion of the indebtedness under the ETQ Convertible Notes and issuance of the ETQ Preferred Shares described below, was \$27.8 million.

Interest on the ETQ Convertible Notes is payable when they are redeemed, which will occur at the election of the holders of 50.0% of the nominal amount of the ETQ Convertible Notes outstanding or mandatorily upon certain events, including, among others, the winding-up, liquidation, administration, dissolution or insolvency of Etelequote Ltd or any of its subsidiaries.

The ETQ Convertible Notes are convertible into fully paid B ordinary shares of Etelequote Ltd credited in the number determined by dividing the aggregate nominal amount of the ETQ Convertible Notes by the applicable conversion price.

On June 30, 2017, \$20.0 million of our indebtedness owed to TRGI under the ETQ Convertible Notes was cancelled and replaced by the ETQ Preferred Shares, as described in the section "Financing Arrangements—Etelequote Limited Non-Convertible Senior Preferred Shares" below.

The events of default provision and mandatory redemption provision (as described above) of the ETQ Convertible Notes are the same.

We intend to repay the ETQ Convertible Notes in full with a portion of the net proceeds of this offering.

#### *Etelequote Limited Non-Convertible Senior Preferred Shares*

On June 30, 2017, our subsidiary Etelequote Limited issued 1,538,462 non-convertible redeemable senior preferred shares (the "ETQ Preferred Shares") to private investors in consideration of the cancellation of \$20.0 million of our indebtedness owed to TRGI under the ETQ Convertible Notes. As of June 30, 2017, all of the ETQ Preferred Shares remained outstanding.

In accordance with the terms of the subscription agreement, Etelequote Limited must redeem the ETQ Preferred Shares upon the completion of this offering. If the ETQ Preferred Shares are redeemed on or before June 6, 2018, the per share redemption price will equal \$13.00 per share, for a total redemption amount of \$20.0 million. If the ETQ Preferred Shares are redeemed after June 6, 2018, the per share redemption price will equal the greater of \$13.90 per share and the variable return, which is calculated based on the length of time in years from issue date to the redemption date multiplied by a factor ranging from 1.14 to 1.20.

#### **Other Financing Arrangements**

In June 2014, we entered into an enterprise agreement with Microsoft Licensing, GP, funded via a financing arrangement with IBM Credit LLC, and covering our Microsoft-based software application licenses. As of June 30, 2016 and 2017, we had a total of \$3.5 million and \$0.9 million, respectively, of remaining payments outstanding under this agreement.

In October 2013, we entered into a series of lease agreements to finance equipment and software for our delivery centers with CIT Finance LLC. As of June 30, 2016 and 2017, we had a total of \$0.7 million and \$0.1 million, respectively, remaining payments outstanding under this agreement.

#### **Off-Balance Sheet Arrangements**

Except for operating leases entered into in the normal course of business, we were not during the periods presented, and are not currently, a party to any off-balance sheet arrangements.

**Contractual obligations**

The following table presents our future contractual obligations as of June 30, 2017

	Payments due by period				
	As of June 30, 2017				
	Total	Less than one year	1-3 years	3-5 years	5+ years
	\$ in thousands				
Obligations Under Finance Leases <sup>(1)</sup>	\$ 6,446	\$ 3,532	\$ 2,914	\$ 0	\$ 0
Long Term Other Borrowings <sup>(2)</sup>	18,930	6,210	9,078	3,642	—
Line Of Credit <sup>(3)</sup>	24,537	24,537	—	—	—
Private Placement Notes <sup>(4)</sup>	10,226	10,226	—	—	—
Convertible Loan Note - Related Party <sup>(5)</sup>	1,955	1,955	—	—	—
Operating Lease Obligations <sup>(6)</sup>	29,266	10,002	10,154	8,447	663
Purchase Obligations <sup>(7)</sup>	1,680	990	690	—	—
Defined Benefit Obligations <sup>(8)</sup>	727	—	—	—	727
	<b>\$ 93,768</b>	<b>\$ 57,453</b>	<b>\$ 22,836</b>	<b>\$ 12,089</b>	<b>\$ 1,390</b>

- (1) The lease arrangements have interest rates ranging from 5.0% to 10.0% for fiscal year ended June 30, 2017.
- (2) Represents indebtedness under the following: (1) Term Loan C under the PNC Credit Facility, which will be amortized in 54 consecutive equal monthly installments which commenced on 1 January 2017 with an interest rate of LIBOR plus a margin of 4% (2) other financing arrangements having interest rates from 6% to 8%.
- (3) Represents indebtedness under the following: (i) the PNC Credit Facility (\$20.9 million), which bears interest at an interest rate of LIBOR plus a margin of 1.75% and/or at the PNC Commercial Lending Rate for domestic loans, (ii) the HBC Credit Facility (\$2.5 million), which bears interest at a rate equal to the greater of The Wall Street Journal (WSJ) Prime Rate or 5.7%, and (iii) the Seacoast Receivables Financing Agreement (\$0.3 million), which bears interest at a rate of LIBOR plus a margin of 7% per annum.
- (4) Represents obligations under the ETQ Private Placements Notes which bear interest at 12%.
- (5) Represents obligations under the ETQ Convertible Notes which bear interest at 15%. We expect the ETQ Convertible Notes to become due between 1 to 3 years.
- (6) Represents obligations under operating leases for computer equipment, software, office facilities, furniture and fixtures and office premises.
- (7) Represents obligations under annual telecommunication service agreements with two carriers.
- (8) Represents liability against unfunded defined benefit plan whereby employees are entitled to one half month's salary for every year of service upon attainment of retirement age of 60 years with at least five years of completed service.

**Qualitative and Quantitative Disclosures about Market Risk**

Our activities expose us to a variety of financial risks: market risk (including interest rate risk and currency risk), credit risk and liquidity risk.

**Interest Rate Risk**

Our exposure to market risk for changes in interest rates relates primarily to our cash and bank balances and our credit facilities. Borrowings under the PNC Credit Facility bear interest at LIBOR plus 1.7% or the PNC Commercial

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Lending Rate for domestic loans and, in the case of Term Loan C, LIBOR plus a margin of 4.0%. Borrowings under the HBC Loan Facility bear interest at the Prime Rate plus 2.5%. Other than a floating to fixed interest-rate swap entered into in August 2016 to hedge the interest rate risk on the Term Loan A under the PNC Credit Facility, we do not use derivative financial instruments to hedge our risk of interest rate volatility. Term Loan A was settled with the proceeds of Term Loan C; however, the interest-rate swap was not terminated. As of the date of this prospectus, the interest-rate swap is independent of any particular facility we are procuring from PNC; nevertheless, it continues to contribute to the overall cost exposure of our debt portfolio.

Based on our debt position as of June 30, 2017 and taking into account the impact of the interest-rate swap referred to above, a 1.0% change in interest rates would impact our finance costs by \$0.7 million.

We have not been exposed to material risks due to changes in interest rates. However, our future financial costs related to borrowings may increase and our financial income may decrease due to changes in market interest rates.

**Foreign Currency Exchange Risk**

We serve many of our U.S.-based clients using delivery center capacity in various countries such as the Philippines, Pakistan, Nicaragua and Jamaica. Although contracts with these clients are typically priced in U.S. dollars, a substantial portion of related costs is denominated in the local currency of the country where services are provided, resulting in foreign currency exposure which could have an impact on our results of operations. Our primary foreign currency exposures are in Philippine Peso and Pakistan Rupee; to a lesser extent, we have exposures in Euro, Pound Sterling, CFA Franc (XOF), Nicaraguan Cordoba, Jamaican Dollar, Canadian Dollar and Emirati Dirham. There can be no assurance that we can take actions to mitigate such exposure in the future, and if taken, that such actions will be successful or that future changes in currency exchange rates will not have a material adverse impact on our future operating results. A significant change in the value of the U.S. Dollar against the currency of one or more countries where we operate may have a material adverse effect on our financial condition and results of operations.

Foreign currency exchange risk arises mainly where receivables and payables exist due to transactions entered into in foreign currencies. As such, we believe we are exposed to the following foreign currency exchange risks:

- Transaction foreign currency risk is the exchange risk associated with the time delay between entering into a contract and settling it, for example temporal differences in receivables and payables. Greater time differences exacerbate transaction foreign currency risk, as there is more time for the two exchange rates to fluctuate.
- Translation foreign currency risk is the risk that our non-U.S. Dollar assets and liabilities will change in value as a result of exchange rate changes. Monetary assets and liabilities (for example accounts receivable, accounts payable and bank accounts) are valued and translated into U.S. Dollars at the applicable exchange rate prevailing at the applicable date. Any adverse valuation moves due to exchange rate changes at such time are charged directly and could impact our financial position and results of operations. For the purposes of preparing our financial statements, we convert our subsidiaries' financial statements as follows: statements of financial position are translated into U.S. Dollars from local currencies at the period-end exchange rate, shareholders' equity is translated at historical exchange rates prevailing on the transaction date and income and cash flow statements are translated at average exchange rates for the period.

With all other variables held constant, a 5.0% depreciation in the Philippine Peso against the U.S. dollar would have decreased our net loss after taxation in the fiscal year ended June 30, 2017 by approximately \$0.5 million. Conversely, a 5.0% appreciation in the Philippine Peso against the U.S. dollar would have increased our net loss after taxation in the fiscal year ended June 30, 2017 by approximately \$0.5 million. A 5.0% depreciation in the Euro against the U.S. dollar would have decreased net loss after taxation in the fiscal year ended June 30, 2017 by approximately \$0.1 million. Conversely, a 5.0% appreciation in the Euro against the U.S. dollar would have increased our net loss after taxation in the fiscal year ended June 30, 2017 by approximately \$0.1 million. Similarly, a 5.0% depreciation in the Pakistan Rupee against the U.S. dollar would have decreased our net loss after taxation in

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the fiscal year ended June 30, 2017 by approximately \$21,000. Conversely, a 5.0% appreciation in the Pakistan Rupee against the U.S. dollar would have increased our net loss after taxation in the fiscal year ended June 30, 2017 by approximately \$24,000.

**Credit Risk**

We have the following exposure to concentration of credit risk with clients representing greater than 10% of our receivable balances:

	Fiscal Year Ended June 30,			
	2016		2017	
	\$ million	% of total AR	\$ million	% of total AR
Client 1	\$ 16.1	28.3%	\$ 11.7	22.8%
Client 2	14.1	24.7%	5.6	11.0%
Client 3	5.8	10.2%	6.6	12.8%
	36.0	63.3%	23.9	46.6%
Others	20.9	36.7%	27.4	53.4%
	\$ 56.9	100.0%	\$ 51.3	100.0%

**Liquidity Risk**

Our policy is to ensure that we will always have sufficient cash to allow us to meet our liabilities when they become due. To achieve this aim, we seek to maintain cash balances (or agreed facilities) to meet expected requirements for a period of at least 45 days. The Board receives cash flow projections on a quarterly basis as well as information regarding cash balances and investments. The liquidity risk of each group entity is managed at the entity level. Where facilities of group entities need to be increased, approval must be sought by the entity's CFO. Where the amount of the facility is above a certain level, agreement of the Group CFO and the board is needed.

**Internal Controls Over Financial Reporting**

During our audit process in accordance with PCAOB standards, we and our independent registered public accounting firm identified three material weaknesses in our internal control over financial reporting as defined in the Exchange Act Rule 12b-2. Specifically, the material weaknesses related to errors identified in technical accounting areas due to a lack of sufficiently detailed technical analysis of complex accounting matters and related disclosures, lack of formal reviews and reconciliations in the financial reporting process, and various control deficiencies related to information technology general controls. These material weaknesses could result in material misstatements of our financial statements that would not be prevented or detected. In this regard, we will need to improve our controls in response to the risk of a material misstatement. See "Risk Factors— We have identified material weaknesses in our internal control over financial reporting and, if we fail to promptly remediate our current material weaknesses or if we are unable to implement and maintain effective internal control over financial reporting in the future, our results of operations and the price of our common shares could be adversely affected."

We are in the process of implementing measures designed to improve our internal control over financial reporting and to remediate the material weaknesses identified above. We are actively engaged in assessing our internal control processes to identify, design, implement, and test our activities related to internal control over financial reporting. In addition, we intend to expand our accounting and financial reporting staff by hiring additional personnel with technical accounting expertise in IFRS as issued by the IASB, including a corporate controller. We will also align the controls utilized by our Continuing Business Entities other than the legacy IBEX companies to the internal controls in place at the legacy IBEX companies which are more robust due to scale and operational maturity.

We cannot assure you that the measures we have taken to date, and actions we may take in the future, will be sufficient to remediate the control deficiencies that led to our material weaknesses in our internal control over

financial reporting or that they will prevent potential future material weaknesses. In addition, neither our management nor an independent registered public accounting firm has performed an evaluation of our internal control over financial reporting in accordance with the provisions of the Sarbanes-Oxley Act because no such evaluation has been required to date. If we are unable to remediate these material weaknesses, or if we identify additional material weaknesses in the future or otherwise fail to maintain an effective system of internal controls, we may not be able to accurately or timely report our financial results, and our operating results, investor confidence in our company and the market price of our shares may be adversely affected.

#### **Accounting standards, amendments and interpretations which became effective during the year**

During the year ended June 30, 2017, certain new standards and amendments to existing standards became applicable; however they have no significant impact on our audited consolidated financial statements except certain disclosures required by IFRS 12 'Disclosure of Interests in Other Entities' and IFRS 15 'Revenue from Contracts with Customers' which have been provided in our financial statements accordingly.

#### **Accounting standards, interpretations and amendments not yet effective**

The following standards, amendments and interpretations of approved accounting standards will be effective for accounting periods beginning on or after July 1, 2017 that we have decided not to adopt early:

- IFRS 9 'Financial Instruments' effective for annual periods beginning on or after January 1, 2018, introduces a new approach to the classification of financial assets, which is driven by the business model in which the asset is held and its cash flow characteristics. It also introduced a single "expected credit loss" impairment model for the measurement of financial assets and a new model for hedge accounting that aligns the accounting treatment with the risk management activities of an entity. In addition, enhanced disclosures will provide better information about risk management and the effect of hedge accounting on the financial statements. We believe that adoption of IFRS 9 will significantly impact its impairment methodology. The impairment model under this standard reflects expected credit losses, as opposed to incurred credit losses. Under the impairment approach of this standard, it is no longer necessary for a credit event to have occurred before credit losses are recognized. Instead, we need to account for expected credit losses and changes in those expected credit losses.
- IFRS 16 'Leases' effective for annual periods beginning on or after January 1, 2019, specifies how an IFRS reporter will recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17. We believe that this standard will significantly affect our financial position but we have not yet quantified the effects of the adoption of the standard. The on-balance sheet treatment will result in the grossing up of the balance sheet due to right-of-use assets being recognized with offsetting liabilities. This standard will also have an effect on our non-IFRS financial measures such as adjusted EBITDA and net debt.
- IFRS 15 'Revenue from Contracts from Customers' effective for annual periods beginning on or after January 1, 2018, requires entities to recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This core principle is achieved through a five step methodology that is required to be applied to all contracts with customers. IFRS 15 will also result in enhanced disclosures about revenue, provide guidance for transactions that were not previously addressed comprehensively and improve guidance for multiple-element arrangements. We believe that this standard will not have a significant impact as we do not engage in multiple-element arrangements. During 2017, we continued our evaluation of IFRS 15, including the expected impact on our business processes, systems and controls, and

potential differences in the timing and/or method of revenue recognition for its contracts. We expect to complete our assessment during 2018 and adopt IFRS 15 in our consolidated financial statements beginning on July 1, 2018.

- Amendments to IFRS 2 'Share-based Payment' clarify the accounting for share-based payments in return for goods or services and are effective for annual periods beginning on or after January 1, 2018. The amendments cover three accounting areas: (a) measurement of cash-settled share-based payments; (b) classification of share-based payments settled net of tax withholdings; and (c) accounting for a modification of a share-based payment from cash-settled to equity-settled. The new requirements could affect the classification and/or measurement of these arrangements and potentially the timing and amount of expense recognized for new and outstanding awards. We believe that this standard will not have significant impact as most of our share-based payment plans are equity-settled.
- Amendments to IAS 12 'Income Taxes' are effective for annual periods beginning on or after January 1, 2017. The amendments clarify that the existence of a deductible temporary difference depends solely on a comparison of the carrying amount of an asset and its tax base at the end of the reporting period, and is not affected by possible future changes in the carrying amount or expected manner of recovery of the asset. The amendments further clarify that when calculating deferred tax asset in respect of insufficient taxable temporary differences, the future taxable profit excludes tax deductions resulting from the reversal of those deductible temporary differences. This amendment will not significantly affect us as it is only a clarification on previously issued standard.
- Amendments to IAS 7 'Statement of Cash Flows' are part of IASB's broader disclosure initiative and are effective for annual periods beginning on or after January 1, 2017. The amendments require disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flow and non-cash changes. This amendment will not significantly affect us as this only requires additional disclosures to our financial statements as applicable.
- IFRIC 23 'Uncertainty over Income Tax Treatments' effective for annual periods beginning on or after January 1, 2019, clarifies the accounting for income tax when there is uncertainty over income tax treatments under IAS 12. The interpretation requires the uncertainty over tax treatment be reflected in the measurement of current and deferred tax. This amendment will not significantly affect us as it is only a clarification on previously issued standard.

#### **JOBS Act Transition Period**

In April 2012, the Jumpstart Our Business Startups Act of 2012 (the "JOBS Act") was enacted. The JOBS Act contains provisions that, among other things, reduce certain reporting requirements for an "emerging growth company" (an "EGC") as defined in the JOBS Act. Section 107 of the JOBS Act provides that an EGC can take advantage of the extended transition period provided in Section 7(a)(2)(B) of the Securities Act for complying with new or revised accounting standards. Thus, an EGC can delay the adoption of certain newly implemented accounting standards until those standards would otherwise apply to private companies. We have irrevocably elected not to avail ourselves of this extended transition period and, as a result, we will adopt new or revised accounting standards on the relevant dates on which adoption of such standards is required for other public companies.

In addition, we are in the process of evaluating the benefits of relying on the other exemptions and reduced reporting requirements provided by the JOBS Act. Subject to certain conditions set forth in the JOBS Act, if we choose to rely on such exemptions, for so long as we remain an EGC, we will not be required to, among other things:

- provide an auditor's attestation report on our system of internal controls over financial reporting pursuant to Section 404 of the Sarbanes-Oxley Act of 2002;
- provide all of the compensation disclosure that is required of a company that does not qualify as an EGC; and



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- comply with any requirement that may be adopted by the Public Company Accounting Oversight Board regarding mandatory audit firm rotation or a supplement to the auditor's report providing additional information about the audit and the financial statements.

We would cease to be an EGC upon the earliest to occur of: the last day of the fiscal year in which we have more than \$1.07 billion in annual revenue; the date we qualify as a "large accelerated filer" with at least \$700 million of equity securities held by non-affiliates; the issuance, in any three-year period, by us of more than \$1.0 billion in non-convertible debt securities; and the last day of the fiscal year ending after the fifth anniversary of this offering.

## **BUSINESS**

### **Overview**

We are a leading end-to-end provider of technology-enabled customer lifecycle experience (“CLX”) solutions.

Through our integrated CLX platform, we offer a comprehensive portfolio of solutions to optimize customer acquisition, engagement, expansion and experience for our clients. Historically, these solutions were generally provided on a standalone basis and often as point solutions across the customer lifecycle.

However, as the customer journey becomes more challenging, complex and competitive, these solutions are increasingly converged. To meet this transformation, we have designed a differentiated suite of digital and omni-channel, customer-centric solutions that seamlessly manages interactions throughout all phases of the customer lifecycle. We leverage sophisticated technology and proprietary analytics, in combination with our global contact and delivery center footprint and business process outsourcing (“BPO”) expertise, to protect and enhance our clients’ brands.

We manage approximately 60 million interactions each year with consumers on behalf of our clients through an omni-channel approach, using voice, web, chat and email. Although traditional voice channels still account for a substantial majority of our revenues, digital channels (web, chat, email) are gaining relative importance. When consumers prefer an automated solution, we are able to provide our clients with proprietary software applications to accommodate their customers’ preferences. For all of our solutions, we are increasingly utilizing machine learning and analytics to enhance and optimize these capabilities.

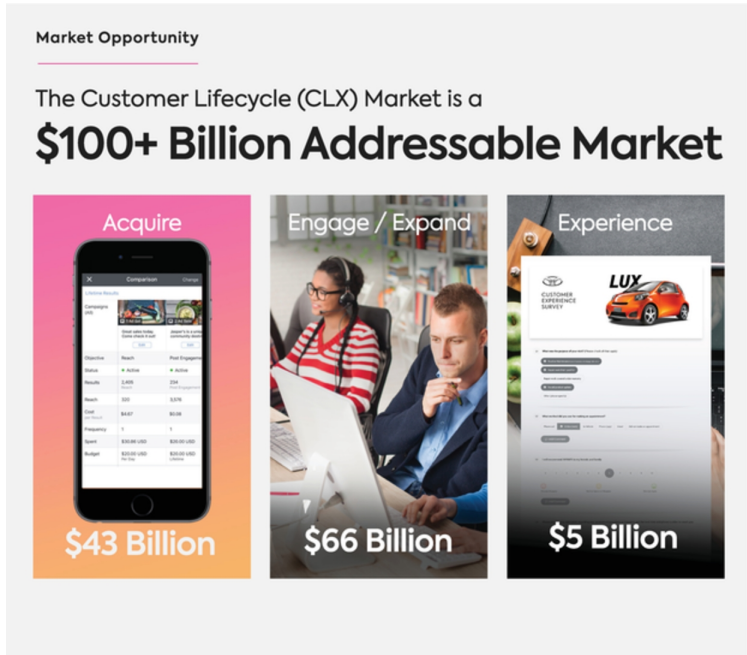
Our clients consist primarily of Fortune 500 brands, across a broad range of industries, including telecommunications, cable, technology, automotive and insurance, that have large customer bases that rely on outsourced providers to maximize customer experience and improve customer expansion. We have deep, long-standing relationships with our client base; our top ten clients have an average tenure of five years. Increasingly, our client base includes faster growing brands in high-growth segments of our target markets, such as high-growth technology and consumer services sectors. Given that these companies continue to manage outsized growth and do not generally have outsourced customer lifecycle capabilities, these companies seek to leverage outsourced providers like us to facilitate revenue growth and enhance their brand loyalty.

As of June 30, 2017, our integrated CLX platform combines a global network of 25 delivery centers in seven countries with our proprietary technology and data analytics capabilities. Our global delivery network, which incorporates onshore, nearshore and offshore BPO capabilities, makes us flexible in deploying solutions that meet our clients’ unique needs. Our onshore capabilities are delivered through thirteen sites in the United States and the United Kingdom. Our nearshore capabilities are delivered through sites in Jamaica and Nicaragua. Our offshore capabilities are delivered through sites in the Philippines (four sites), Pakistan (five sites) and Senegal (one site).

Our delivery centers are strategically located in labor markets with relatively low levels of resource competition, which enables us to attract, hire and retain a highly engaged, trained and motivated workforce, which results in high levels of customer experience and satisfaction.

Our revenues for the fiscal year ended June 30, 2016 were \$323.0 million, our net profit was \$1.6 million and our Adjusted EBITDA for the period was \$22.9 million. Our revenues for the year ended June 30, 2017 were \$334.0 million, our net loss was \$9.0 million and our Adjusted EBITDA for the period was \$16.2 million.

Market Opportunity



We estimate the total current addressable market for our suite of CLX solutions is well over \$100 billion. We operate our business with two reporting segments, Customer Acquisition and Customer Management, under which we address the following market segments:

*Customer Acquisition*

- Digital marketing, our key customer acquisition service, is one of the fastest growing segments of the media advertising industry. According to eMarketer, a leading market research company, global spending on digital advertising in 2016 was expected to total \$195 billion, with North America representing \$76 billion, or 39%, of the total amount. The North America digital advertising market is expected to grow at a 12% CAGR to over \$118 billion by 2020, far surpassing the 5% CAGR for total media advertising spending in North America over that same time period. Of the \$76 billion spent on digital ads, \$35 billion is spent annually on paid search in North America, our primary digital marketing channel.

This fast-growing market has primarily adopted a pay-for-performance business model in which advertisers only compensate marketers once a target consumer has taken a particular action such as filling out an information form or completing a purchase of a product or service. Because of this dynamic, marketers must utilize sophisticated data-driven solutions to place highly targeted, relevant and cost-effective ads in front of

consumers that are most likely to make a purchase. Within the broader digital marketing universe, we adhere to the pay-for-performance pricing model with a focus on an end-to-end solution where we utilize paid search to generate high-quality leads and then use our sales agents to convert leads into completed sales.

- Included in our Customer Acquisition segment, we also provide digital insurance agency services for Medicare private health insurance policies which are sold on behalf of insurance carriers. Medicare is a federal health insurance program, administered by the Centers for Medicare and Medicaid Services ("CMS"), for Americans aged 65 and older as well as certain younger people with disabilities and individuals. According to CSG Actuarial, 55.3 million Americans were enrolled in a Medicare program in 2015 and that number is expected to grow to 73.3 million Americans by 2025. Purchasing Medicare Part C private healthcare insurance can be a complex and time-intensive process for seniors. When choosing coverage plans, Medicare enrollees have the option to either sign-up for coverage under the government umbrella with a "traditional" Medicare plan (either on its own or in combination with a Medicare Supplement plan provided by a private health insurer) or opt-in to a Medicare Advantage ("MA") plan issued by a private health insurer. In 2015, approximately 17.8 million, or 32% of total Medicare enrollees opted into private insurance coverage through a MA plan.

Carriers in the Medicare private health insurance market sell policies through a network of licensed sales agents that are both direct employees as well as affiliated with insurance brokers. These agents are trained to advise Medicare-eligible enrollees on the coverage options available and assist enrollees in completing a new enrollment for a plan that best suits their needs or renewing a plan already in place for the next calendar year. For sales through third party brokers, carriers pay on a per-transaction basis in line with commission rates set by the CMS. Based on the national commission rate structure established by the CMS for 2017, we estimate that total annual commissions payable to independent agents are up to \$8 billion.

#### *Customer Management*

- *Customer Engagement and Expansion* – BPO providers remain in high demand as clients continue to seek ways to scale their operations, lower costs and headcount and access best-in-class processes and technologies. International Data Corporation ("IDC"), a leading information technology research firm, estimates the worldwide BPO market was approximately \$180 billion in 2016 and expects it to grow to approximately \$228 billion by 2021. The BPO market consists of four key horizontal markets: customer care (our primary market within this segment), human resources, finance and accounting, and procurement. According to the IDC, customer care is the largest horizontal market with approximately \$66 billion of revenues in 2016, and is expected to grow to \$83 billion by 2021, representing a CAGR of 4.5%. Within the U.S., customer care BPO spend accounted for \$38 billion in 2016 and is expected to grow to \$45 billion in 2021.

Clients of BPO providers ranked improving operational efficiencies as a top priority. The market is projected to continue to grow in the near term and is rapidly evolving due to increased expectations on BPO vendors to innovate and constantly improve service quality.

- *Customer Experience Management* – With unprecedented access to technology, data and choices, customers have elevated expectations about being heard, as well as how companies take action and respond in real time. By listening to the "voice of the customer," enterprises gain valuable insights into a customer's journey and interactions with brands. As enterprises continue to emphasize customer experience as a key competitive differentiator, the market for customer experience solutions is expected to grow rapidly in the near future. MarketsandMarkets, a leading B2B market research firm, estimates that the global customer experience management market will grow at a 21% CAGR, from \$5 billion in 2016, to over \$13 billion in 2021, with North America representing approximately \$3 billion of market share in 2016.

As consumers gravitate toward digital channels (websites, mobile and social media), enterprises are seeking more technologically advanced solutions to collect data in real time and to harness the insights yielded by advanced analytics performed on those data to provide customized customer experiences. According to Gartner, by 2020, more than 40% of all data and analytics projects are expected to relate to customer

experience. By that date, customer journey analytics is expected to be the number one customer analytics investment, with 85% of organizations investing to optimize cross-channel experiences. This increased focus on customer experience better equips brands to retain their customers, identify and resolve issues more quickly, predict future purchasing behavior and enhance overall customer satisfaction.

### Key Trends

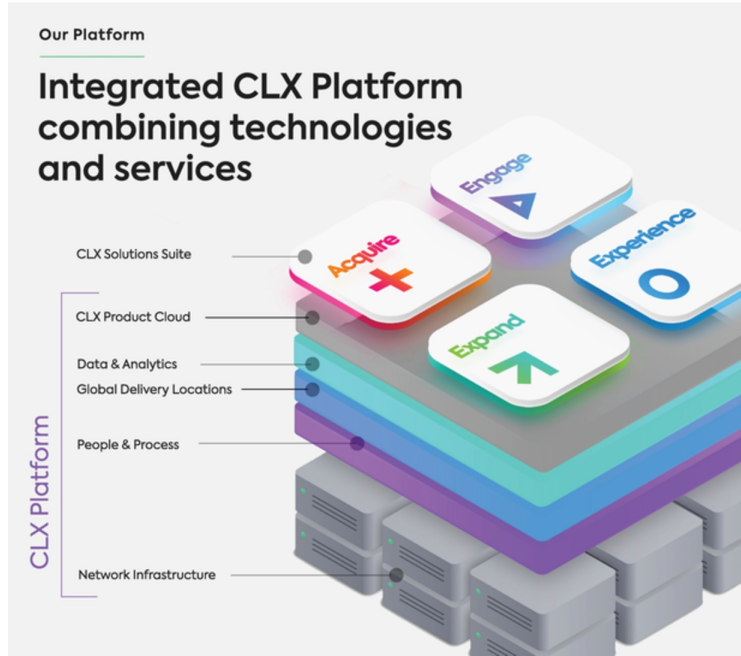
A number of trends are driving growth and transformation in the CLX market, as well as a convergence of the market segments discussed above. Clients are increasingly making purchase decisions based on vendors' ability to drive revenue, improve customer experience and enhance brand loyalty rather than primarily focusing on cost savings. We believe that clients are employing a "champion-challenger" model in their procurement of CLX services, in which nimbler, more innovative providers compete effectively against much larger vendors. Participants in the CLX market that have an integrated solution will be best positioned to address the following key industry trends:

- *Consumer Centricity* – Customer expectations and behaviors are changing dramatically. Enabled by immediate feedback channels, such as social media, consumers expect that enterprises meet their needs and preferences instantaneously in return for brand loyalty and greater share of customer spend. Enterprises are therefore more focused on understanding their consumers' needs and consequently are demanding outsourced customer engagement partners that can deliver customer-centric solutions in an omni-channel manner that maximize customer lifetime value.
- *Increased Role of Data and Analytics*– Enterprises are increasingly demanding that their CLX providers integrate data with their core service offerings to drive superior outcomes. For example, our customer acquisition solutions are enhanced by sophisticated data analytics, enabling more efficient consumer targeting, higher conversion rates and increased lifetime value. In the area of customer management, predictive analytics allow for both more effective resource allocation in the delivery of services and efficient resolution of the customer's needs. Similarly, customer experience has evolved from being a telephone survey-based service to a technology platform that captures customer feedback from multiple channels, including social, online and mobile and connects it with other customer data. These business intelligence tools yield actionable insights that enable clients to address customer issues in real time. We expect that investments in automation, digitization and machine learning will be key drivers in the industry as clients seek to adopt more technology-intensive ways of servicing their customers.
- *Increased Use of Outsourcing* – Enterprises continue to rely on CLX providers to address their needs related to the entire customer lifecycle. Mature companies seek to automate across business functions as their needs are becoming more diversified. These more mature companies rely on CLX providers for new technology solutions which are used to standardize business processes and increase their flexibility to seamlessly scale up or down as needed. Companies in emerging sectors continue to outsource due to their limited experience or resources to manage increasing volumes of customer interactions. These high-growth companies rely on the expertise of CLX providers in order to reach scale in their business operations.
- *Integrated Technology Solutions for Mature Sectors* – Fortune 500 companies that historically utilized traditional live-agent, voice-based services are now integrating new technology-enabled solutions as they seek to achieve greater operational flexibility and innovate their service offerings. Established enterprises that have both insourced as well as outsourced portions of their business processes are especially focused on solutions that are easily integrated into their solutions and contain "plug and play" capabilities. These traditional enterprises rely on innovative partners to devise new ways of lowering their costs of customer acquisition, reducing churn, engaging consumers more deeply, and increasing customer lifetime value.
- *Solutions Catered to High-Growth Sectors* – Providers of CLX solutions need to adapt their solutions to serve high-growth markets. The challenges that new economy "disruptors" face consist largely of managing high-growth within their customer base, while simultaneously maintaining a high-quality customer experience. In contrast to mature business models, these emerging companies have generally not focused on developing large-scale insourced customer operations; therefore, they rely almost exclusively on external partners that can deliver customer service, engagement and support while maintaining the quality of their brands.

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- *Increased Use of Integrated Providers* – We believe clients sourcing multiple CLX solutions across the customer lifecycle from integrated providers will result in the volumes of business with such integrated providers of CLX solutions to increase. For example, it is difficult for a client receiving multiple CLX solutions from a provider to switch a large number of workstations to a competitor because of the potential disruption caused to the client's users by introducing a new end-service provider or because of the level of process integration required which can be time consuming and costly.
- *Flexible Delivery Model* – Clients are increasingly differentiating among providers based on availability of a flexible delivery model that can offer a mix of onshore, nearshore and / or offshore capabilities. Offshore locations, such as the Philippines, and nearshore locations, such as Central America and the Caribbean, have become attractive delivery model options due to their lower pricing. Thus, clients seeking to rationalize their cost structure value the relatively lower-price points that near-shoring and off-shoring alternatives represent versus an onshore option. However, clients also appreciate the flexibility of being able to choose onshore options that, while at higher price points, are particularly important for certain programs, such as high dollar value customer acquisition or higher-touch customer service.

**Our CLX Platform**



Our integrated CLX platform is designed to support our mission of becoming a strategic partner to leading brands and enterprises for their CLX needs. Our integrated CLX platform is founded on six core competencies:

- *CLX Product Cloud* – Our technology capabilities allow us to provide innovative, automated, customizable solutions to our clients. In addition to offering our clients agent-based customer-facing services, we have the flexibility to offer a pure technology-based solution or a combination of both services and technology to meet their unique needs. We use technology to enable growth and engender client loyalty. Our technology innovations make our CLX solutions highly-respected in the marketplace.
- *Data and Analytics* – Our business is highly data intensive, and as a result we have collected datasets from more than 237 million customer interactions over the past five years. We overlay our proprietary datasets with third-party data and other available data to derive insights into customer behaviors and preferences. For example, based on our proprietary databases of the performance characteristics of over 5 million search terms and 26 million unique keyword and bid type combinations, we are able to refine our algorithms continually to optimize our lead generation and conversion solutions.
- *People and Processes* – We employ a skilled, trained and motivated global workforce of over 15,000 employees servicing consumers across the full customer life cycle (acquisition, engagement, expansion and experience) in 45 countries in 36 languages. Over the last two decades, we have refined and improved our processes, methodologies and incentive systems to enable us to recruit, train, engage, motivate and retain a highly talented agent workforce. Our ability to manage our workforce processes and do so at a significant scale has been a key enabler of our ability to expand our business and achieve our growth objectives.
- *Global Delivery Locations* – We have a global network of 25 delivery centers in seven countries offering onshore, nearshore and offshore capabilities. Our facilities are located onshore within the United States, and the United Kingdom (total of thirteen sites), nearshore in Nicaragua and Jamaica (total of two sites), and offshore in Pakistan (five sites), Philippines (four sites) and Senegal (one site).
- *Network Infrastructure* – The technology platform supporting our facilities is built on reliable and secure data centers, scalable telephony systems and other third-party technology products on the basis of a fully redundant architecture, with an unrelenting focus on the protection of client and consumer data. Our four data centers operate continuously with an uptime of 99.9%. Our physical network is maintained by a high-quality infrastructure and networking organization, which consists of 160 people around the world who are dedicated to seamless, uninterrupted service delivery to our clients. We maintain various compliance certifications, including COPC and PCI. We host our servers and data in data centers, a majority of which have SOC 1 Type II, and SOC 2 Type II attestations or equivalent certifications. Our network infrastructure allows us to employ a number of technologies, policies and procedures to protect the large quantity of highly sensitive consumer data that we host, manage, and interact with.
- *Strategy and Innovation* – As a result of our management team's vision, we have built a platform that we believe is well-positioned for strong, sustainable, long-term growth. Our purpose-built platform is at the leading edge of providing clients with innovative solutions to enhance their customer lifecycle capabilities. Our strategy to combine proprietary technology solutions with a highly trained workforce and a global delivery model that can serve the full spectrum of the customer lifecycle is differentiated versus competition and a key driver for our ability to drive strong annual growth.

#### **Our Strengths**

We believe that we have established a leadership position in the CLX solutions market. Whether in mature, high-growth or emerging industries, we are able to provide clients with a compelling value proposition that combines our full spectrum of customer lifecycle solutions with a global delivery model and innovative technology. We believe that the investments we have made have placed us in a strong competitive position with substantial first-mover advantages. Our leadership position is founded on the following key competitive strengths:

- *Provider of end-to-end customer lifecycle experience solutions* – Today's consumer journey is characterized by a multitude of channels and touch-points. The customer lifecycle, from acquisition to experience, has become

more challenging, complex and competitive for enterprises to manage. It is no longer effective to rely on multiple single-solution vendors and thus creating patchwork of customer-facing solutions corresponding to each channel or touch-point. The differentiated suite of solutions that we have developed seamlessly manages interactions throughout all phases of the customer lifecycle. This benefits our clients by allowing them to consolidate the fulfillment of all of their CLX needs with one comprehensive provider while gaining efficiency and cost benefits. Furthermore, having one comprehensive platform creates substantial cross-sell opportunities across our organization and provides for numerous future growth opportunities.

- *Demonstrated ability to combine technology and services* – Our CLX platform combines our proprietary technology with our omni-channel service delivery model to provide clients differentiated solutions at a large scale. Across our suite of solutions, we have added our proprietary technology capabilities in order to improve outcomes for our clients. Our proprietary technology allows us to provide innovative, automated and customizable solutions to our clients more efficiently than if delivered through a purely service-based model.

Representative of the above technology capabilities is our proprietary ClearView customer experience management software platform, which provides business intelligence on consumer activities to support our clients' decision making process through the full customer lifecycle. In addition, we have made investments in machine learning capabilities and are using the associated power of predictive analytics to further improve lead generation conversion rates, identify up-sell and cross-sell opportunities for our clients, increase customer loyalty and improve customer retention.

- *Proven expertise in mature industries* – We believe that we have built a deep level of expertise in serving clients in mature industries, including the telecommunications, cable, insurance and automotive sectors. Our historical experience in these sectors has been key to winning new clients in these industries. Mature companies are facing new challenges in the growth, engagement and retention of their customer bases in an efficient, cost effective manner. As an example, a primary focus for these clients, who often have millions of customers, is to partner with vendors that can enable them to generate revenue growth. We believe that we are able to provide such value at all stages of the customer lifecycle for these industries, from lowering the cost of customer acquisition to increasing customer lifetime value through improved retention and increased up-sell.
- *Growing expertise in serving clients in emerging and high-growth industries* – More recently, we have developed an expertise and competitive advantage in several rapidly growing key market segments. These include the emerging and high-growth technology and consumer services sectors, along with the Medicare private health insurance market. We have had considerable success in winning new clients in these emerging and high-growth technologies and have rapidly expanded our revenues with these clients in line with their own rapid growth in their markets. Emerging and high-growth companies are focused on partners that can help them rapidly scale their customer service offerings to facilitate their rapid growth while providing customers with a positive customer experience with their brand. Our ability to provide such clients with high-touch customer engagement solutions aligned with their culture is an important attribute valued by these clients. For example, our customer acquisition solution targeted at enrollees in the Medicare private health insurance market is benefiting from the rapid growth in the senior health population in the United States.
- *Global delivery capabilities* – Our global delivery model encompasses onshore, nearshore and offshore delivery capabilities. Our nearshore capabilities are delivered through sites in Jamaica and Nicaragua. Our offshore capabilities are delivered through sites in the Philippines (four sites), Pakistan (five sites) and Senegal (one site). We seek to operate state-of-the-art facilities in labor markets that are underpenetrated in order to maintain our competitive advantage, retain our position in those labor markets as an employer of choice, and deliver a highly scalable and cost-effective solution to our clients. This delivery model allows us to offer our clients customized solutions providing resources in a mix of geographic locations that best meet their business demands. Our global delivery capabilities also provide us with the flexibility to serve companies in both mature and emerging sectors. Companies in more mature industries tend to prefer to be able to source delivery from a menu of onshore, offshore and nearshore locations, whereas clients in relatively faster growing sectors tend to be comfortable with lower-cost offshore or nearshore delivery options.



- *Innovative and entrepreneurial culture* – We believe that we have a distinctive corporate culture characterized by innovation, speed and organizational nimbleness. The combination of our entrepreneurial culture and the deep experience of our leadership team position us well to address the opportunities presented by the emergence of an integrated CLX industry. Our entrepreneurial culture and organizational agility have been instrumental to our growth by allowing us to anticipate and stay ahead of emerging trends in the industry. Our innovative and entrepreneurial culture is a key differentiator and gives us a competitive advantage in delivering high-quality solutions to clients around the globe. In addition, we believe we have established a strong corporate culture that is critical to our ability to recruit, engage, motivate, manage and retain our talented global workforce of over 15,000 employees across all offices. Finally, our culture enables our workforce to be able to design and deliver innovative solutions to our clients around the globe that optimize their ability to acquire, engage, expand and retain their customers.

#### **Our Growth Strategy**

Our goal is to become a key strategic partner to both mature and high-growth companies that require outsourced CLX solutions. We have established a leadership position in the CLX category and intend to continue to set the pace for innovation. Our growth model is designed to deploy a “land and expand” approach by targeting and initiating delivery with large, global enterprises, and subsequently expanding our services with these clients. The large scale size of our client base, our ability to deliver a superior experience to our clients and our global delivery capabilities has allowed us to successfully land new clients and then expand our share of wallet with them over time. We have a demonstrated track record of increasing our share of our clients’ business over time; we believe this growth will be bolstered in the future as clients continue to recognize the benefits of partnering with an end-to-end CLX provider and we are able to cross-sell our broad suite of solutions through our client base. Moreover, the current capacity at our onshore and nearshore delivery centers will be able to support our near-term growth with minimal incremental investment, with future investments in capacity expected to be success-based and in response to growth demands of our business.

By offering technology-enabled CLX solutions through our integrated CLX platform, we believe we are well positioned to effectively compete in the CLX market and continue to take market share and capitalize on market growth. We believe that clients are employing a “champion-challenger” model in their procurement of CLX services, in which nimbler, more innovative providers compete effectively against much larger vendors. This procurement model directly benefits our “land and expand” model; we have proven our ability to expand with clients, in many instances taking wallet share from competitors, as we demonstrate our ability to drive strong outcomes for our clients.

Our growth strategy is based on the following key components:

- *Expand with existing clients* – We have a consistent track record of successfully expanding the scope of our services with our clients. Our client base is comprised of large, global brands that have multiple lines of business across multiple geographies. The size and scale of our clients create a substantial growth avenue by capturing additional wallet share with them. We have demonstrated our ability to expand with our clients by adding new geographies or additional business segments to our scope of service; in many instances, we are taking share due to our ability to outperform our competitors through our superior execution. We believe that we have significant opportunities to support future growth at each of our existing clients. For many of our large clients, we believe that we have opportunity to capture 15% or more of their total share of wallet; currently, we estimate we have less than 6% penetration within our top five clients.
- *Continue winning new client engagements* – We have a proven history of driving revenue growth from winning new clients. We have been successful in winning new clients historically served by our competitors; our ability to win these clients has allowed us to take share from our competition. Furthermore, we have been successful in winning first generation clients that have decided to outsource their previously in-house operations. Our key competitive strengths include our full spectrum customer lifecycle solutions, our global delivery model and our proprietary technology capabilities; all of which enhance our ability to win new clients. In order to continue driving future new client growth, we are making investments in our sales and marketing infrastructure, including

hiring additional business development personnel focused entirely on driving new client growth across an array of geographies and end markets. Our new client growth strategy is defined by targeting both established, leading global brands and emerging, high-growth brands that can benefit from our solutions.

- *Win new clients in mature industries* – Our deep expertise in providing outsourced solutions to leading global brands in relatively mature industries, such as telecommunications and cable, is a key enabler of our ability to win new clients. We serve a highly recognizable client base that provides a high degree of referenceability during the new client sale process and provides confidence in our ability to execute. We are able to appeal to new clients in these industries due to our value proposition of helping mature global brands seeking to improve growth and maximize customer retention. Select major new clients added during the fiscal year ended June 30, 2017 include two luxury automotive manufacturers, a global telecommunications provider and a cable provider.
- *Win new clients in high-growth sectors* – More of our new client wins are coming from relatively faster growing sectors of the economy, including consumer internet and technology companies. We have dedicated an increasing number of sales resources to these attractive growth sectors and have been able to leverage key recent wins of blue-chip customers to create referenceable accounts and continue strong momentum with new clients. We are able to appeal to new clients in these sectors due to our ability to facilitate revenue growth and enhance their brand loyalty. Select major new clients added during the fiscal year ended June 30, 2017 were a global e-commerce platform, a streaming video content provider, a streaming audio content provider, a smart home services provide, a wearable technology device provider and a ride sharing app provider.
- *Cross-sell our full spectrum lifecycle solution* – The breadth of our solutions over the full customer lifecycle creates the ability to cross-sell each solution throughout our client base. Most of these clients currently source a narrower set of solutions from us, such as customer engagement or customer acquisition, and we believe that large enterprise clients focused on their customer experience are increasingly seeking providers offering a broader range of customer lifecycle solutions. An additional advantage of selling our full spectrum of solutions is that it allows us to win “off-cycle” mandates in large new accounts, providing a competitive foothold prior to the typical 12-18 month request for proposal, or RFP, cycle that typically dictates the pipeline for traditional BPO programs. Only three of our top ten clients are currently utilizing more than one of our CLX suite of solutions, creating substantial future cross-sell opportunities.
- *Expand geographically* – By expanding geographically, we will support our growth both by attracting and winning new clients, as well as expanding and growing with existing clients. We seek to establish new delivery centers in underpenetrated labor markets, which will allow us to retain a competitive edge, attract and retain the necessary workforce, and deliver a highly scalable and cost effective solution to our clients. Our selection of new geographies in which to deploy our delivery solutions is based on a careful assessment of client needs, and is often in anticipation of a broader market trend. For example, we opened up new nearshore service delivery locations in Jamaica and Nicaragua in 2016 in anticipation of increasing client demand, and have been successful in placing significant amount of client volume in those locations in a relatively short period. Similarly, we are in the process of expanding our Senegal service delivery location in anticipation of a broader move in the French enterprise market to diversify service offerings beyond the current offshore focus on Morocco.
- *Pursue strategic acquisitions* – We may selectively pursue acquisition and strategic investments in companies and technologies that strengthen our customer lifecycle experience platform. Our industry segments continue to be fragmented and provide multiple opportunities to acquire companies to complement our existing capabilities. Our acquisition strategy targets situations in which it is optimal to acquire versus build. It will primarily be focused on adding additional omni-channel capabilities, providing access to new geographies and acquiring technologies that further differentiate our solutions.

### Our Solutions and Products

We work closely with our clients to optimize customer acquisition, engagement, expansion and experience by offering technology-enabled solutions through our integrated CLX platform. Our solutions help our clients protect and enhance their brands, grow their customer bases, retain their customers, and maximize customer lifetime value. Our comprehensive portfolio of end-to-end solutions drives deep customer integration and long-term trusted relationships with our clients, many of whom we have served for more than five years.

Our vertical industry expertise in telecommunications, technology, cable / broadband, high-growth technology, health and health insurance, financial services and automotive allows us to adapt our services and solutions for our clients, further embedding us into their value chain while delivering impactful business results.

We believe that we have a strong track record of offering flexible pricing models for our solution offering ranging from fixed pricing to outcome-based pricing if certain performance indicators are achieved. We believe that new contracts will increasingly be based on such outcome-based pricing and similar hybrid pricing models, as a means of making services more transparent. We believe that our flexible pricing models allow us to maximize our revenues in a price competitive environment while maintaining the high quality of our CLX services.

We provide our services across the following four phases of the customer lifecycle experience:

**CLX Solutions Suite**

## The Complete Solution Suite enabling the End-to-End Customer Lifecycle Experience.

Acquire.	Engage.	Expand.	Experience.
<b>Digital Marketing &amp; Conversion</b>	<b>Customer Sales &amp; Support</b>	<b>Upsell, Cross-Sell &amp; Retention</b>	<b>Customer Feedback &amp; Experience.</b>
••• Digital Marketing Lead Generation Online Sales Optimization Lead Conversion	••• Customer Service Billing Support Technical Support Multi-Lingual Omni Channel	••• Upsell, Cross Sell Retention Renewals Win-Backs	••• Multi-channel digital surveys Real-time issue resolution Analytics & business intelligence Text/Sentiment Analytics
<b>Outcome</b> Accretive Revenue / Subscribers	<b>Outcome</b> Personalized Consumer Engagement At Scale	<b>Outcome</b> Increase Customer Lifetime Value	<b>Outcome</b> Full 360 Degree Customer Experience Visibility

Customer Acquisition

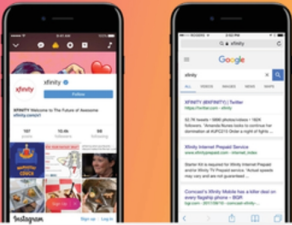
**Acquire** +

**Target.**


**Multichannel Digital Lead Sourcing**

Multichannel Digital Lead & Prospect Sourcing

- o Paid Search
- o Organic Search
- o Leads from 3rd party providers



**Convert.**




**Click & Call Conversion.**

Convert customers via websites or our professionally trained sales experts

**Gain.**

**Revenue Generation**

Client pays on performance or agency basis



PERFORMANCE REVIEW

PERFORMANCE PAY

AGENCY PAY

**Overview** – In our Customer Acquisition segment, we work with consumer-facing businesses to acquire customers for them. We are typically compensated by our clients on a pay-per-performance basis, where we earn a commission upon the successful addition of a new customer. In our Medicare insurance agency division, we acquire customers for most of the firms representing some of the largest Medicare Advantage market share, such as Humana and UnitedHealthcare. The remainder of our Customer Acquisition segment is primarily focused on acquiring customers for clients in the telecommunications, cable / broadband and technology industries.

**Acquisition Cycle** – Most of our Customer Acquisition solutions involve two steps: (a) generating or purchasing a lead or a prospect, and (b) converting that lead or prospect into a customer, most frequently through a voice-based channel.

- **Lead or Prospect Sourcing** –We source leads or prospects for our acquisition solutions either through digital marketing activity, which includes paid search and search engine optimization, or through the purchase of leads from third parties.
- **Paid Search** –The largest portion of our internal lead generation relies on paid search, which is also known as search engine marketing (SEM). This portion of our digital marketing activity involves the creation and management of a web sales portal bearing the client's brand, to which we drive consumers through fixed and mobile paid search advertising with providers such as Google, Yahoo! and Bing. Our proprietary technology platform determines the optimal price to pay for keyword-based advertising to ensure cost-effective search engine placement that attracts interested consumers. This platform also bases its bidding on availability of appropriate delivery center agents to convert any leads generated into buyers. We use our SEM-based lead generation primarily to generate customers for our clients in the cable and telecommunications sectors.
- **Organic Search** –We also generate leads for our acquisition solution based on organic search, which is also known as search engine optimization (SEO). This portion of our digital marketing activity involves the creation and management of web portals that feature prominently in a consumer's relevance-based search results in response to a web search. Visitors to these web properties effectively become leads that we subsequently contact in order to convert into a sale. For example, we have developed proprietary content for the Medicare private health insurance market where we provide useful and relevant information regarding the medical industry and insurance plan options available to potential enrollees in the senior population.
- **Purchase of Leads from Third Party Providers** –In addition to internally generating leads and prospects of interested consumers, we also purchase leads and prospects from third party providers. Such prospects can be in the form of inbound calls, where we receive a call transferred from a lead provider that generates relevant prospects for its own business and seeks to monetize further that lead by cross-selling it to us. We also receive leads in the form of contact details of interested prospects that indicated interest to a lead provider through an online web property, whom we subsequently seek to convert via an outbound phone call.
- **Conversion of Leads to Sales** –The final step in our Customer Acquisition solutions is our conversion of leads or prospects, whether generated internally or externally, into customers for our clients. We do so primarily through phone interaction with sales agents at our delivery centers. Occasionally, those prospects may become customers of our clients directly through our website without any agent involvement. In our Medicare insurance division, all sales are required to take place through a sales agent that is licensed in the state a prospect is a resident in. We currently have over 100 licensed agents.

**Use of Proprietary Algorithms Across our Platform** – In our Customer Acquisition solutions, we employ our proprietary algorithms across our platforms to manage all aspects of the marketing function, ranging from setting the amount of our bid for advertising in response to a given search term to managing the underlying website and its associated analytics. We maintain proprietary databases on the performance characteristics of over 5 million search terms (and 26 million unique keyword and bid type combinations) across over 33,000 zip codes, which we have developed over seven years. The analytics we perform using those data allow us to make cost effective purchases of

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key search terms. We apply machine learning to identify high-quality leads, which ultimately improves the conversion of those leads into sales. We manage our websites in a dynamic manner, where the website content changes based on the characteristics of the visitor. Our websites also have a high level of integration with our clients as well as with external databases.

Our e-commerce platform for our acquisition solution has features such as online quoting from various carriers, plan comparison and recommendation, online enrollment, electronic processing interchange and online work queue protocols for each consumer request to ensure tracking and fulfillment.

For more detailed discussion of the technology used in our Customer Acquisition solutions, see "Technology and Infrastructure."

**Delivery Model** – As of June 30, 2017, we operate six acquisition-focused delivery centers. For our Medicare insurance agency division, we operate three delivery centers dedicated to the sale of Medicare private health insurance policies on behalf of health insurance carriers, located in Clearwater, Brooksville and Fort Lauderdale, Florida. We operate two delivery centers in Pakistan and one in Jamaica, which are focused on customer acquisition on behalf of our clients in the cable and telecommunications industries. As of June 30, 2017, the number of agents dedicated to customer acquisition was 761 (659 digital acquisition and 102 Medicare acquisition).

**Revenue Model** – In our Customer Acquisition segment, we are typically compensated by our clients on a pay-for-performance basis where we earn a commission upon the successful addition of a new customer. In our Medicare insurance agency division, the commission structure is longer duration, and possesses two components: an upfront commission, and a renewal commission each year the insured renews their policy. Within digital acquisition, to a lesser extent we also provide sales-based delivery center services to convert leads provided by the client into new customers, for which we are typically compensated on a fixed hourly basis.

Engage 

## Deploy.

### Global Customer Engagement

Our worldwide contact centers are staffed with highly trained and effective support agents, ready to solve any customer issue across multiple languages.



- 20+ languages
- 63M Interactions/year
- 25 Delivery Centers Globally

## Connect.

### Omnichannel Support



- Phone
- IVR
- Social
- Email
- SMS
- Chat

### Back Office Support



With our suite of comprehensive and automated back-office solutions, we help our clients add value to every layer of their business operations.

- Finance & Accounting
- Social
- Marketing
- Chat

## Elevate.

### Personalized Consumer Engagement at Scale

With our customer-centric engagement solutions, we help customers feel valued and respected across every brand channel and interaction.



**Overview** – Our Customer Engagement solutions make up the largest component of our revenue base. Our long tenured clients within this solution are primarily in the telecommunications, cable / broadband and technology industries. Our more recent client wins have included enterprises in the high-growth technology and, consumer services. This solution is delivered through our digital and omni-channel platform, which integrates digital and non-digital channels. In particular, as consumers increasingly transition away from voice and toward digital communication, we have added a full suite of digital channel capabilities, which include voice, email, chat, SMS, IVR, social media and other applications. For more detailed discussion of the technology used in our in Customer Engagement solutions, see “Technology and Infrastructure.” Our Customer Engagement solutions are priced either on a per unit of time or a per interaction basis. Of the total volume of customer interactions that occur in our Customer Engagement solutions, over 93% represent interactions originating from inbound consumer inquiries.

Our suite of Customer Engagement solutions are made up primarily of the following three categories:


- **Customer Service** – This solution is the main interface between our clients and their customers. This solution category is about our clients’ management of their customer relationships, and represents for our clients the most important source of information about their customers’ perceptions and experience. In this service, we provide information about our clients’ products and services to their customers and handle inbound and outbound contacts relating to suggestions, requests and claims about products, billing inquiries, services and processes. A large portion of this solution relates to billing inquiries and general product and service information.
- **Technical Support** – We deploy specialized teams that are available to our clients to provide information, assistance and technical guidance to our clients’ customers on a specific product or service. Our technical support capabilities include helpdesk services, early stage issue resolution, known as Level I support, as well as Level II technical support for more advanced issues.
- **Other Value-Added Services** – Our back office solutions allow our clients to outsource portions of their own internal administrative functions to us. These solutions include primarily finance and accounting, marketing support, sales operations and HR administration. This solution is enhanced by automation tools to process routine and repetitive activities enabling us to manage high volume activities for our clients.

Our Customer Engagement solutions require a robust technology infrastructure overlay. Each of our client programs is operated using a Customer Relationship Management (“CRM”) agent application, which guides agents through the relevant call script, provides an interface to input customer-specific data to the client, captures other relevant call and program-related information and provides program reporting to the client. Certain clients provide their own CRM agent application; in other cases we customize our proprietary portal for that client program. Other technology tools relevant to the above services include call recording platforms, workforce management software and quality management tools, as described in more detail under “Technology and Infrastructure” below. In addition to these essential tools, we believe we have an advanced technology capability that is developing the next generation of tools that will provide us with a highly competitive edge in our Customer Engagement capabilities.

**Delivery Model** – As of June 30, 2017, we operate 20 Customer Engagement focused delivery centers located in the United States and the United Kingdom (nine sites), Pakistan (five sites), the Philippines (three sites), Nicaragua (one site), Jamaica (one site) and Senegal (one site). As of that same date, the number of agents dedicated to our Customer Engagement solution was 8,141.

**Revenue Model** – Client pricing for our Customer Engagement solution has traditionally been structured on a per staffed hour basis; however, pricing is increasingly evolving toward a per minute of talk time basis or a per contact basis. These new pricing frameworks shift the risk associated with the management of operational metrics such as occupancy or handle time optimization from the client to the provider and thus require providers to constantly optimize operational efficiency in order for the client engagement to remain profitable.




Expand 

## Identify.

**Turn Customer Interactions into Growth Opportunities**  
We are constantly tracking and monitoring the needs, satisfaction, and disposition of our clients' customers.

- Customer purchase behavior
- Needs analysis
- Sentiment & disposition monitoring



## Promote.

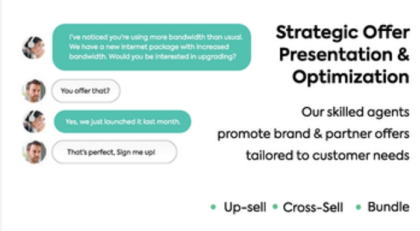
**Strategic Offer Presentation & Optimization**

Our skilled agents promote brand & partner offers tailored to customer needs

- Up-sell
- Cross-Sell
- Bundle


**Win-Back & Retention Strategy**

- Re-engagement campaigns
- Targeted & tailored offers
- Predict future customer needs
- Skilled Agents



## Grow.

**Increase Customer Lifetime Value**  
Drive revenue growth, reduce churn and increase NPS, CSI, and ROI.



Overview – Our Customer Expansion solutions are a derivative of our Customer Engagement solutions, combining our traditional BPO solutions with our sales and acquisition-oriented delivery center capability to allow our existing clients to further mine their current customer base. Our Customer Expansion solutions include cross-selling and up-selling our clients' products and services, maximizing customer retention and winning back customers that have transitioned away from our clients. Each of these functions requires the agent to demonstrate a combination of customer empathy and product knowledge, together with the ability to make a sale on behalf of the client. The clients of our Customer Expansion solutions are primarily in the telecommunications, cable / broadband and technology industries.

The majority of the clients of our Customer Expansion solutions tend to have an established history of outsourcing their CLX needs and have identified the benefit of a dedicated expansion capability. These clients generally have a significant existing customer base and are seeking solutions that reduce churn and increase growth.

**Delivery Model** – As of June 30, 2017, we operate nine Customer Expansion focused delivery centers located in the United States (three sites), Pakistan (three sites) and the Philippines (three sites). As of that same date, the number of agents dedicated to our Customer Expansion solution was 2,728.

**Revenue Model** – Client pricing for our Customer Expansion solution has traditionally been structured on a per staffed hour basis; however, pricing is increasingly evolving toward a per minute of talk time basis or a per contact basis. These new pricing frameworks shift the risk associated with the management of metrics such as occupancy or handle time optimization from the client to the provider and thus require providers to constantly optimize operational efficiency in order for the Client Engagement solutions to remain profitable. In addition, our clients may provide us with performance-based bonuses based upon achieving agreed upon performance targets.

Experience

## Listen.

### Omnichannel Customer Feedback

Deliver beautiful, branded surveys across any digital channel.

### Intelligent Sentiment Analytics

Real-time text and sentiment analysis for all incoming feedback channels.

Positive Sentiment ✓

Negative Sentiment ✗

operational categories: 🔍

## Empower.

### Real-Time Issue Resolution

Act upon any negative customer sentiment across any channel.

### Persistent Business Intelligence

Dynamic data visualizations and real-time reporting to ensure your brand gets a full, accurate, and strategic picture of true customer satisfaction & delight.

## Enhance.

### Fortify Brand Perception & Loyalty

- Improve customer value
- Increase ROI
- Strengthen customer longevity

**Overview** – We have developed a comprehensive suite of proprietary software tools to measure, monitor and manage our clients' customer experience. By applying these tools, we enable our clients to improve retention of their customers, identify and manage service issues in real time, predict future behavior and enhance overall customer satisfaction. Our platform includes management of omni-channel surveys, interactive artificial intelligence, text analytics and sentiment analysis, a business intelligence suite, and case management capabilities. The clients of our Customer Experience solutions are primarily in the automotive industry, with more recent client wins in financial services and technology industries. For more detailed discussion of the technology used in our Customer Experience solutions, see "Technology and Infrastructure."

As enterprises continue to emphasize customer experience as a key competitive differentiator, we believe that our offering of such a product, whether bundled with our other CLX solutions or sold on a standalone basis, places us in a differentiated position relative to our competitors. We believe that many of our existing and potential clients have yet to invest in a software platform to manage their customer experience.

**Delivery Model** – We primarily deliver our Customer Experience solutions to our clients using a cloud-based delivery model. We also have the flexibility to offer solutions that are hosted at the client's premises.

**Revenue Model** – We currently offer our Customer Experience solutions under a license where we charge the client on a "software as a service" basis that reflects usage of the product at the client's location. In addition, we may charge a set-up fee to customize the solution for our client's specific needs or provide additional consulting services.

#### **Sub-Brands**

In connection with the Reorganization Transaction and the repositioning of our brand, we utilize three sub-brands to deliver our solutions. IBEX Interactive represents our historical IBEX Global Solutions, DGS and iSky entities. IBEX Insurance represents Etelequote Limited. IBEX Digital represents the predecessor companies of DGS Limited.

### Technology Solutions

Over the past five years, we have invested significant resources into building and deploying a scalable CLX platform, which includes next-generation software products and modules, deployed across the full customer lifecycle journey, driving revenue growth, productivity improvements, experience enhancement and competitive differentiation.

We believe that we have built an industry-leading, comprehensive suite of software products and applications, deployed at enterprise scale across multiple industries along the full consumer lifecycle. For example, we have used our CLX suite to acquire cable and insurance consumers in large scale at an optimal target cost per acquisition (CPA), measure and manage the customer experience for the automotive industry across multiple geographies, maximize retention of policyholders in the health insurance sector, and prevent fraud using anomaly detection for the telecom sector.

Our CLX suite and its end-to-end set of solutions (acquire, engage, expand, experience) are powered by the CLX Product Cloud, a flexible and modular toolset of integrated products that can be configured, connected, and deployed based on diverse client needs and requirements.

In addition to our proprietary software products and applications, we partner with major vendors for operations management control, providing intelligent interactive routing through computer telephony integration, outbound sales automation, intelligent routing, quality management, business intelligence, workforce management, and CRM systems. We believe our partnership with leading category vendors has allowed us to deliver customized solutions based on specific client demands and easily integrate with clients' internal systems.

*The CLX Product Cloud*



Our **CLX Product Cloud** comprises a range of software products that enable our CLX suite across the full customer lifecycle journey. These software products can be used individually or in combination to build a contextual and intuitive customizable implementation for each client deployment. We deliver our CLX suite using the following software products, and their associated modules, as building blocks to create a comprehensive CLX solution that easily accommodates a range of industries and use cases.

**CLX Product Cloud**

### Full stack CLX Product Cloud Enabling CLX Solutions

**CLX Signal.**  
Data Tuned to Every Channel

**CLX Convert.**  
Address-targeted Deals & Offers

**CLX Connect.**  
Omni-Channel Customer Conversations

**CLX Pulse.**  
Noise-Cancelling Customer Feedback Suite

**CLX Target.**  
Digital Marketing & Conversion Suite

**CLX Trust.**  
Agent Monitoring & Data Security

**CLX Sense.**  
Superior Agent Productivity

The collage displays various software interfaces. CLX Signal shows a dashboard with multiple charts and data points. CLX Convert features a world map and lists of offers for brands like dish, COX, and at&t. CLX Connect shows a chat interface with a customer. CLX Pulse displays a customer satisfaction survey interface. CLX Target shows a campaign management dashboard with budget and bid information. CLX Trust shows a secure agent monitoring interface. CLX Sense shows a productivity dashboard for a sales agent named Samantha Fox, with metrics like 78% Open Promotions, 763 Deals Closed, and 4599 Total Calls.

#### *Client-Facing Products*

Our current principal products within the CLX Product Cloud that are primarily used by our clients and their customers include:

- **CLX Signal** offers business intelligence to support decision making across the entire Customer Lifecycle Experience value chain for seamless insight and dynamic action. The CLX Signal product provides real time statistics, data, and reports for management, operations users, and both internal and client-side analysts, allowing users to create real time reports and conduct customized data and performance analyses. Key features include deep data analytics using automated speech recognition, natural language processing, artificial intelligence and machine learning algorithms to predict consumer sentiment, identify early performance indicators, and manage ongoing issues. CLX Signal modules are deployed for every client implementation.
- **CLX Convert** – a proprietary quoting and comparison engine at a physical address level, which aggregates and unifies quotes from a large number of providers serving that address, enabling efficient and ongoing lead conversion. CLX Convert modules have been customized and implemented in the cable / broadband, telecommunications, and health insurance verticals.
- **CLX Connect** – our digital and omni-channel platform for consumers to interact with brands via a channel of their choice, including voice, Integrated Voice Reading (“IVR”), web, social or chatbots, ensuring a seamless transition from one channel to the next.
- **CLX Pulse** – delivers consumer sentiment to brands. This customer experience measurement product suite is designed to capture the “voice of the customer.” CLX Pulse provides brands with the power to seamlessly send omni-channel surveys, supported by powerful text analytics software to intelligently analyze customer feedback for accurate sentiment and disposition. Consumers are able to provide real time feedback after each interaction with the brand.

#### *Internal Products*

In addition to the client and consumer facing applications, our CLX Engine also consists of several core software products used internally to deliver our CLX solutions. These include:

- **CLX Target** – our digital marketing and conversion suite. CLX Target allows us to plan, create, and launch highly targeted digital marketing campaigns across social, search and display advertising channels. The CLX Target modules are implemented for automated bid intelligence and adaptive bid optimization. The technology allows us to identify, profile, segment and target high-value audiences using behavioral scoring. Our CLX Target product is implemented across our cable, telecommunications, clients where we are engaged for our customer acquisition solution and allows us to deliver high value clicks and leads to our clients.
- **CLX Trust** – our proprietary security product to monitor and prevent security breaches internally by recording key strokes, screen interactions and running sophisticated algorithms for real time anomaly detection. The capabilities in our CLX Trust product include recording and logging technologies to monitor conversations, screens, and keyboard activity. We use machine learning capabilities to identify suspicion or fraudulent activity and identify anomalous behavior.
- **CLX Sense** – our leading edge call center productivity and agent performance product. CLX Sense is designed to optimize call center productivity and enhance agent success and allow production management to monitor, motivate and improve the performance of our frontline agents.

**CLX APIs** - Through our APIs, our CLX suite ties together our various software products and modules with custom functionality across the CLX Product Cloud. We construct our own software from the same APIs that we offer to our clients and provide up-to-date code. In addition, we are extending our technology to more partners through our APIs to allow developers to develop new tools and additional functionalities that further enhance our CLX suite.

*CLX Labs* - Our product development philosophy is centered on rapid and continuous innovation, with frequent releases of test products that we seek to improve with every iteration. We often make products available early in their development stages by posting them on *CLX Labs*. If our users find a product useful, we promote it to "beta" status for additional testing. Our beta testing periods often last a year or more. Once we are satisfied that a product is of high-quality and utility, we remove the beta label and make it a core *CLX* suite application.

### Technology Approach

We have designed and developed our technology solutions for large global enterprises. We operate a multi-tenant, multi-user architecture that provides enterprise clients with separate instances of the database while maintaining a common schema across applications for all clients run on either shared infrastructure servers or on dedicated servers. This architecture reduces risk associated with infrastructure outages, improves system scalability and security, and allows for flexibility in deployment location.

The architecture, design, deployment and management of our technology and infrastructure has been designed and built with the following objectives:

- **Intuitive User Experience.** Our *CLX* platform is designed to create an intuitive, interactive and consistent user experience. The goal of our design is to minimize the need for extended product training.
- **Scalability.** Our architecture allows us to deploy our *CLX* platform at scale capable of managing millions of interactions per month on behalf of our clients, including calls, website views, social media interactions, emails, chat sessions and many other transactions.
- **Reliability.** Our technology solutions and infrastructure are designed as "always on" solutions with redundancies in place to minimize downtime. We work with leading global providers to create a fully redundant architecture between our facilities. Servers and software components are replicated and customer data is backed up and stored in remote data centers.
- **Security.** We maintain a comprehensive security program designed to help safeguard the security and integrity of our customers' data, which includes both organizational and technical measures such as perimeter security, industry standard intrusion detection systems, security protocols, and authentication of customers and employees prior to accessing our platform, and testing of each released update before deployment.
- **Configurability.** Our core technology applications and products are easily configured to meet client specific needs and solutions.
- **Extensions.** As part of the *CLX* Platform, we provide standard, pre-built integrations with leading third-party systems. We also enable additional custom integration for our customers and partners through our APIs.

### Technology Initiatives

Our current initiatives are focused on enhancing and extending the capabilities of our existing suite of products servicing the full customer lifecycle. One set of initiatives is focused on deriving further insights from customer interactions leveraging data and machine learning techniques as well deploying technologies such as chatbots as an additional channel to interact with consumers. We also have initiatives underway to further strengthen our security products using anomaly detection techniques.

Our product roadmap is dynamic and our product development cycles can rapidly address client needs, deliver additional value to our clients, and maintain our competitive differentiation.

### Research and Development

Our ability to compete depends in large part on our continuous commitment to research and development and our ability to introduce new products, technologies, features and functionality in a quick and timely fashion. Our research and development organization is responsible for the design, development, testing and certification of our products



and services. Our efforts are focused on developing new products and core technologies and further enhancing the functionality, reliability, performance and flexibility of existing solutions. We focus our efforts on anticipating customer demand in bringing new products and new versions of existing products to market quickly in order to remain competitive in the marketplace.

Our research and development organization is built around small development teams. Our small development teams foster greater agility, which enables us to develop new, innovative products and make rapid changes to our infrastructure that increase resiliency and operational efficiency.

Our research and development team, consisting of data scientists, software developers, artificial intelligence and machine learning experts, and engineers, has spent over eight years refining and improving our solution and continues to evolve our software tools and data and machine learning algorithms. As a result, we believe that our solution is at the cutting-edge of customer lifecycle experience technology.

We compete aggressively for talent, and our people drive our innovation, technology development and infrastructure operations. We strive to hire the best computer scientists and engineers to help us solve significant challenges across systems architecture, artificial intelligence, machine learning, data mining, networking, telephony, dialer management, software engineering, testing and other areas. We work hard to provide an environment where these talented people can have fulfilling jobs and produce technological innovations that have a positive effect on the world through daily use across millions of interactions. We employ technology whenever possible to increase the efficiency of our business and to improve the experience we offer consumers.

As of June 30, 2017, our research and development staff consisted of 325 employees, including 230 software engineers, and 95 data scientists and engineers, principally located in three locations in Pakistan.

We intend to continue to invest in our research and development capabilities to extend our platform and bring the power of customer lifecycle experience technology and solutions to a broader range of applications, geographies and customers. Areas of priority include systems design, artificial intelligence, data mining, networking, software engineering, testing, user experience and interface, telephony.

### **Our Clients**

#### *Overview*

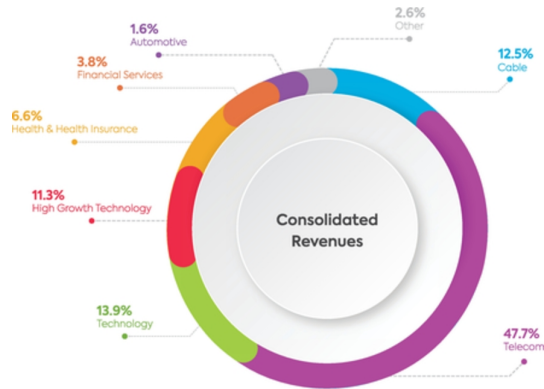
We have experienced steady growth in our client base, consistently gaining new clients annually. Our clients include some of the best-known global brands that have leadership positions in their respective industries. Our long tenured clients are primarily in the telecommunications, cable / broadband and technology industries. Our more recent client wins have included enterprises in the high-growth technology and consumer services sectors.

We seek to develop long-term relationships with our clients where we are viewed as an integral part of their business and not just as a service provider. We believe that these relationships offer the greatest potential for benefits to our clients and to us as they create opportunities for us to provide a variety of solutions using the full range of the capabilities offered by our integrated CLX platform.

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The following table sets forth the amount and percentage of our consolidated revenues for the fiscal years ended June 30, 2016 and 2017 by client industry vertical:

Client Industry Vertical	Fiscal Year Ended June 30,		Growth	Percentwise
	2016	2017		
	\$ in millions			
<b>Telecommunications</b>	\$ 156.9	\$ 159.3	1.5%	47.7%
<b>Technology</b>	\$ 51.2	\$ 46.3	(9.6%)	13.9%
<b>Cable / Broadband</b>	\$ 36.6	\$ 41.8	14.2%	12.5%
<b>High Growth Technology</b>	\$ 21.4	\$ 37.7	76.7%	11.3%
<b>Health and Health Insurance</b>	\$ 16.5	\$ 22.2	34.1%	6.6%
<b>Financial Services</b>	\$ 15.6	\$ 12.7	(18.5%)	3.8%
<b>Automotive</b>	\$ 8.4	\$ 5.2	(37.7%)	1.6%
<b>Other</b>	\$ 16.5	\$ 8.9	46.1%	2.6%
<b>Total:</b>	<b>\$ 323.0</b>	<b>\$ 334.0</b>	<b>3.4%</b>	<b>100.0%</b>



Three of our clients each represent a revenue share greater than 10% of our consolidated revenues. For the fiscal year ended June 30, 2017, our top three clients represented 25.7%, 19.9% and 12.7% of total revenues.

Our contracts with clients generally take the form of a MSA, which is a framework agreement that is then supplemented by SOWs. Our MSAs specify the general terms applicable to the services we will provide. For a discussion of the components of our MSAs and SOWs see "Management's Discussion and Analysis of Results of Operations and Financial Condition—Overview—Revenues."

*Customer Contracts*

On August 12, 2014, TRG Customer Solutions, Inc. d/b/a/ IBEX Global Solutions ("TRGCS") entered into a master services agreement with our largest client to provide inbound and outbound customer care service, technical support, order processing, back office support, billing support, collections, account maintenance, third party verification, interactive voice response, general inbound and outbound telemarketing, and any labor or service provided in connection with such agreement. Pricing terms under the master services agreement are contained in each individual statement of work entered into between TRGCS and the client. This agreement will continue through February 28,

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2018 unless it is earlier cancelled or terminated with its terms. The client may terminate this agreement or any related order at any time, for its own convenience and without cause, in whole or in part, upon 30 days written notice to TRGCS. The agreement may also be terminated by either party upon a breach of the provisions of the agreement or any related order if such breach is not cured during a 10-day notice period or, if such breach is not curable or is a violation of certain laws, immediately upon notice of such breach. TRGCS has also agreed to indemnify the client for certain losses or liabilities incurred in connection with the performance of services by TRGCS.

On December 14, 2016, Telsat Online, Inc. ("TSO") entered into an indirect e-commerce sales and marketing agreement with our largest client to provide online sales and marketing services. This agreement will continue through December 13, 2018 unless it is earlier cancelled or terminated with its terms. The client may terminate this agreement at any time, without cause upon 30 days prior written notice or immediately with respect to a particular market upon written notice if the client is no longer authorized to provide services in such particular market. Either party may terminate the agreement immediately (or after the failure to cure within 30-days to the extent a cure period is applicable) upon the occurrence of certain events specified in the agreement. TSO has also agreed to indemnify the client for certain losses or liabilities incurred by in connection with the performance of services by TSO. Pursuant to this agreement, TSO is paid on a commission basis per each sale. The amount of the commission for a sale depends on the product sold, and in some cases, the speed of the sale.

On April 11, 2014 TSO, entered into a customer referral agreement with a subsidiary of our largest client, pursuant to which we serve as a commissioned customer referral contractor to market, advertise and promote the client's systems, services and programming. This agreement automatically renews for an unlimited number of successive one-year terms unless earlier terminated by either party. Either party may elect to cancel the agreement for any reason, effective upon the expiration of the then-current term, by delivering written notice to the other party at least 45 days prior to such expiration. Either party may terminate the agreement, with or without cause, upon 30 days prior written notice, and either party may terminate the agreement immediately upon the occurrence of certain events. Automatic termination is also provided for with respect to bankruptcy or cessation of either party's business. The parties have agreed to indemnify each other for certain losses or liabilities incurred in connection with the agreement. We are paid a commission for each qualifying subscriber referred the client. If a subscriber disconnects, cancels, terminates or fails to pay the client at any time within the first year after their initial subscription, the client is entitled to a discounted chargeback of that subscriber's commission depending on the timing of such termination of service. Additionally, the client pays us continuing service fees for our ongoing marketing, promotion and advertising of the clients services, as well as continuing service to referred customers. The amount of such continuing service fees depend on the level of our performance in a calendar quarter.

On September 16, 2016, TSO entered into a customer referral agreement with a third-party organization, pursuant to which such organization will act as a commissioned customer referral contractor of TSO to market, advertise and promote our largest client's systems, services and programming. Pursuant to this agreement, the organization will refer potential customers to us which we will then refer to our client. We will pay a commission for the referral of each qualifying subscriber, and we are in turn paid a commission for the referral of each qualifying subscriber by our largest client in accordance with the agreement. This agreement automatically renews for an unlimited number of successive one-year terms unless earlier terminated by either party. Either party may elect to cancel the agreement for any reason, effective upon the expiration of the then-current term, by delivering written notice to the other party at least 45 days prior to such expiration. Either party may terminate the agreement, with or without cause, upon 30 days prior written notice, and either party may terminate the agreement immediately upon the occurrence of certain events. Automatic termination is also provided for with respect to bankruptcy or cessation of either party's business. TSO and the third-party organization have agreed to indemnify each other for certain losses or liabilities incurred in connection with the agreement.

On January 1, 2017, TRGCS entered into a services agreement with our second largest client to provide certain call center services. This agreement may be terminated, in whole or in part, with or without cause, by the client with at least 90 days prior written notice to TRGCS. Either party may terminate the agreement upon an event of default. The

term of the agreement continues until it is terminated in accordance with its terms. TRG performs services for the client pursuant to the agreement and various purchase orders, statements of work, and/or work orders that set forth the nature, timing and requirements for any particular project, engagement or service. Fees for services are as specified in a particular purchase order, statement of work, and/or work order for such services. The agreement contains mutual indemnification provisions.

Effective December 1, 2007, TRGCS entered into a master agreement for call center services with a company that was later acquired by our second largest client. The master agreement was for an initial term of three years, with automatic one-year renewal periods unless otherwise terminated pursuant to its terms. The client submits authorization letters pursuant to the master agreement for specific statements of work. The master agreement and any authorization letter may be terminated without cause by the client upon 30-days written notice. TRGCS has agreed to indemnify the client for any claims arising out of the master agreement.

On December 10, 2013, TSO entered into a marketing agent agreement with our second largest client, pursuant to which we provide marketing and sales services, including, but not limited to, computer, security and technical support services. The term of this agreement automatically renews for successive one-year terms unless terminated by either party. The marketing agent agreement may be terminated by either party without cause upon 30 days written notice. In addition, the client may terminate the marketing agent agreement upon a breach or default by TSO after 30 days' prior written notice or immediately upon the occurrence of certain events set forth in the marketing agent agreement. The marketing agent agreement contains mutual indemnification provisions.

#### **Sales and Marketing**

Our sales and marketing teams work closely together to drive awareness and adoption of our CLX platform, accelerate customer acquisition and expand the relationship with our existing customers. We focus on developing long-term relationships with large strategic clients that have needs across the entire CLX lifecycle, and employ a "land and expand" strategy to grow these relationships. Under this strategy, we seek to build the client's trust through flawless execution on the initial assignment (which is typically for a single solution or geography) and then expand the scope of our engagement with the client into multiple geographies and business lines, which allows us to offer additional CLX solutions. In this manner, the "land and expand" strategy provides opportunities for us to substantially increase our revenues within our existing client base over time.

Our sales and marketing activities are focused on our key market verticals: telecommunications, technology, cable and broadband, high-growth technology, health and health insurance, financial services and automotive. We believe our vertical market focus allows us to provide deep domain expertise and positions us as the best partner to help solve our clients' unique needs. An essential part of our sales strategy is to focus on ways we can innovate on behalf of our clients, which includes digitization strategies and usage of data, technology, analytics and insights. We are well positioned with the top brands in each of the industry verticals in which we operate, and can leverage domain knowledge and strong client references to generate business with other companies in the same industry vertical.

Our sales are conducted by (a) our client services organization to increase revenues from existing clients, and (b) our new logo organization to land new clients. Their efforts are supported by our marketing organization that manages our brand and conducts marketing and lead generation activities to increase brand awareness through trade shows, industry events, and strategic partnerships with industry analysts.

In our experience, the sales cycle for our solutions range from 2-3 months for our Customer Acquisition solution, 12-18 months for our Customer Engagement and Customer Expansion solutions, and 12-24 months for our Customer Experience solution.

*Client Services Organization*

As of June 30, 2017, our client services organization consisted of 32 individuals who are dedicated to maintaining and expanding our relationships with our existing clients. This organization is focused on:

- Retaining the customer by partnering with internal departments to deliver on the promised service levels and expected outcomes ("earn the right to grow");
- Managing both the client and our internal operational delivery units to meet commitments;
- Knowing the client's business, strategy, pain points and opportunities to innovate;
- Expanding services across all CLX services to include new lines of business and geographies and thereby increase our share of the client's spend on CLX services;
- Building deep client relationships that differentiate us in the market; and
- Assisting the sales and marketing organization in securing new business by illustrating differentiated services that we provide to our existing customers.

The client services organization is made up of teams that are organized either around a single large client, depending on size and complexity, or around groups of clients that collectively provide scale to warrant the investment of client services overhead. A majority of the senior leadership of the client services organization is located in the United States and is supported by local team members located closer to the actual service delivery, sometimes in other countries / regions. The members of our client services organization typically have deep operational experience as well as strong relationship-building and selling skills. Most of the new opportunities created within the embedded base of existing clients are led by the senior leadership of the client services organization and follow the same general sales process as the new logo organization.

*New Logo Organization*

As of June 30, 2017, our new logo organization consists of 16 members and we continue to aggressively invest in industry leading client-facing new logo resources. The new logo team's mission is to sell new services to clients who do not work with us today, by building relationships with the top 8-10 decision makers at each target, executing on vertical plans, so that we are relevant during both the "in" and "out" phases of buying cycles. The new logo organization is supported by a lead generation / research team that aid in continuous communication with the key prospects and do in-depth research on the target companies.

Our new logo organization is made up of teams focused on our key market verticals: telecommunications, technology, cable/broadband, high-growth technology, health and health insurance, financial services and automotive. Each team is led by a general manager, supported by a dedicated team, focused solely on penetrating and closing business with the top 40 clients in each vertical. We also have strategic relationships with industry advisors / brokers that help open doors based on past relationships, which allows us to extend our reach into our core markets and accelerate introductions.

The sales process for a new client can be short or lengthy depending on the client, generally ranging from three to 18 months, and usually involves four key steps. Our process typically begins either by our own initiative (out-of-cycle), or in response to an invitation by a client or in response to a specific request for a proposal (in-cycle). In this first phase, a defined need / opportunity is uncovered. The second phase involves mapping our solutions to address the need through a scoping exercise, developing a pertinent solution that meets the need, pricing the proposed solution and developing a ramp / implementation plan to implement the solution. Our recommendation is usually presented electronically and often face to face, either at the target company or at one of our location, especially if we are selected to advance to the next phase of consideration. Upon successful award, we and the prospect move to a negotiation phase; this involves negotiating a master service agreement ("MSA"), as well as the initial statement of work ("SOW"). This third phase also involves detailed planning of the transition of the services as well as the transfer of the knowledge needed to implement the services under such SOWs. The final phase involves commencement of the work and ramping up to meet the agreed upon service levels.

Our new logo organization, often in combination with our client services executives who have an intimate understanding of the client's business and needs, seek to actively identify and target additional cross-sell opportunities across the entire CLX lifecycle. We believe this approach has allowed us to consistently increase our share of our clients' business over the last three years.

#### *Marketing Efforts*

Our marketing efforts are focused on generating awareness of our CLX platform, establishing and promoting our brand, reaching and serving the CLX needs of key decision makers in our target verticals, and cultivating a community of successful and vocal customers. Our belief is that the best method to sell our CLX platform is to focus our marketing effort on demonstrating to our prospects our thought leadership in the CLX market, addressing the challenges facing enterprises across the full CLX lifecycle, and engaging business leaders who are seeking to leverage data, technology, analytics, and insights to drive competitive differentiation. We take a targeted approach and work with enterprises across our target verticals: telecommunications, technology, cable / broadband, high-growth technology, health and health insurance, financial services and automotive. We engage with key decision makers outside of RFP cycles in the following key offices: Chief Digital Officer, Chief Information Officer, Chief Experience Officer, Chief Customer Officer and the Chief Marketing Officer.

As of June 30, 2017, we had 69 employees in our sales, client services and marketing organization.

#### **Competition**

The customer acquisition and customer management segments in which we compete are highly fragmented and continuously evolving. Although we do not believe any single competitor currently offers a directly comparable end-to-end CLX solution, we believe our integrated platform faces competition from a variety of companies which operate in distinct segments of the customer lifecycle journey, including:

- Call center and diversified BPO providers, including Teleperformance S.A., Convergys Corporation, SITEL Corporation, SYKES Enterprises, Incorporated, TeleTech Holdings, Inc., Sutherland Global Services, Inc., Alorica Inc., 24/7 Customer, Inc., VXi Global Solutions and Accenture PLC;
- Customer acquisition companies, including Red Ventures, LLC, Clear Link Technologies, LLC and Qology Direct, LLC;
- Insurance marketing agencies, including eHealth, Inc., SelectQuote Senior Insurance Services, Inc. and GoHealth, LLC; and
- Vendors of customer experience management tools including Medallia, Inc., Vital Insights Inc., Maritz Holdings Inc., Qualtrics, LLC and J.D. Power and Associates, Inc.

We also face competition from in-house customer service departments, which seek to develop, deploy and service applications that offer functionality similar to that of one of our own solutions. These in-house customer service departments continue to constitute the largest segment of customer lifecycle management expenditures.

Many traditional BPO companies are responding to these dynamics by attempting to evolve into fully-fledged end-to-end customer lifecycle experience platforms through bolt-on acquisitions. Recent examples of this acquisition trend include the acquisitions of Clearlink Technologies, LLC (digital marketing) by Sykes Enterprises, Incorporated (BPO) and Connexions, Inc. (insurance marketing agency) by TeleTech Holdings, Inc. (BPO). We expect that market evolution will continue to drive further industry consolidation.

We believe that the most significant competitive factors in the sale of outsourced customer engagement services include service quality, tailored value-added service offerings, industry experience, advanced technological capabilities, global coverage, reliability, scalability, security, price and financial strength.

## Intellectual Property

The success of our business depends, in part, on our proprietary technology and intellectual property. We rely on a combination of intellectual property laws and contractual arrangements to protect our intellectual property.

We have registered or are registering various trademarks and service marks in the U.S. and / or other countries, including: Clearview (U.S. Ser. No. 86222842), IBEX Global (U.S. Reg. Nos. 4596647, 4424863, and 4588731), DGS Deliberate by Design (U.S. Reg. No. 4399136), and e-TeleQuote (U.S. Reg. No. 4651792). The duration of trademark and service mark registrations varies from country to country but we generally be renewed indefinitely as long as the marks are in use and their registrations are properly maintained. We also have common law rights to certain trademarks and service marks.

We also have and maintain certain trade secrets arising out of the authorship or creation of proprietary computer programs, systems and business practices. Confidentiality is maintained primarily through contractual clauses, and in the case of computer programs, system access controls, tracking and authorization processes.

## Regulation

We are subject to a number of U.S. federal and state and foreign laws and regulations that involve matters central to our business. These laws and regulations may involve privacy, data protection, intellectual property, competition, consumer protection, export taxation and other subjects. Many of the laws and regulations to which we are subject are still evolving and being tested in courts and could be interpreted in ways that could harm our business. In addition, the terms of our service contracts typically require that we comply with applicable laws and regulations. In some of our service contracts, we are contractually required to comply even if such laws and regulations apply to our clients, but not to us, and sometimes our clients require us to take specific steps intended to make it easier for our clients to comply with requirements that are applicable to them. If we fail to comply with any applicable laws and regulations, we may be restricted in our ability to provide services, and may also be the subject of civil or criminal actions involving penalties, any of which could have a material adverse effect on our operations. Our clients generally have the right to terminate our contracts for cause in the event of regulatory failures, subject to notice periods. See "Risk Factors—Risks Related to our Business—Our global operations expose us to numerous legal and regulatory requirements."

The Telephone Consumer Protection Act of 1991 ("TCPA"), restricts telemarketing and the use of automatic text messages without proper consent. The scope and interpretation of the laws that are or may be applicable to the delivery of text messages are continuously evolving and developing. If we do not comply with these laws or regulations or if we become liable under these laws or regulations due to the failure of our clients to comply with these laws by obtaining proper consent, we could face direct liability.

Marketing and sales solutions for Medicare Advantage and Part D programs are highly regulated by the Center for Medicare and Medicaid Services ("CMS"). CMS Medicare Marketing Guidelines for Medicare Advantage and Part D plans prescribe specific details of marketing to and interactions with Medicare recipients and those who are soon to be Medicare eligible.

We sell health insurance products in 50 states and in the District of Columbia through insurance producer licenses held by us as is required by each state's insurance laws (in the case of the state of Florida, we conduct insurance business under the individual license of one of our employees, as required by Florida law). The health insurance industry is heavily regulated. Each state and the District of Columbia has its own rules and regulations pertaining to the offer and sale of health insurance products, typically administered by its Department of Insurance. State insurance departments have broad administrative powers relating to, among other things:

- regulating premium prices;
- granting and revoking licenses to transact insurance business;

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- approving individuals and entities to sell, solicit, or negotiate insurance policies;
- regulating advertising, marketing and trade practices;
- monitoring broker and agent conduct; and
- imposing continuing education requirements.

We are required to maintain valid life and / or health insurance producer, agency and/or agent licenses in each jurisdiction in which we sell health insurance policies. As of June 30, 2017, we and our employees held a total of over 2,000 business entity insurance producer and individual insurance producer licenses in 50 states and in the District of Columbia. We have a dedicated licensing group that is responsible for maintaining these licenses and serving as an accredited continuing education provider for our licensed employees. We monitor the regulatory compliance of our sales, marketing and advertising practices and the related activities of our employees.

Several of our facilities, primarily located in the Philippines and Jamaica, benefit from tax incentives or concessional rates provided by local laws and regulations. One of our Philippine subsidiaries benefits from a reduced income tax rate and tax holidays, depending on the site, through the end of 2020, after which the applicable tax rate steps up to 30%. Our Jamaica subsidiary was formed under the Jamaica Export Free Zones Act and operates under a Special Economic Zone Regime, whereby such subsidiary benefits from reduced income tax rates of approximately 8% – 10% until 2027. Pursuant to clause 133 of part I of the second schedule of Income Tax Ordinance, 2001, our Pakistan subsidiaries benefit from a tax exemption related to the export of IT and IT enables services, which includes call center and back office services. The Pakistan income tax exemption is available until June 30, 2019, after which the applicable tax rate steps up to 30%. Our Luxembourg subsidiary, which is an IP holding company and earns royalties from one of our US subsidiaries, benefits from an 80% tax exemption on net royalty income which reduces the Luxembourg income tax rate to approximately 6%. The Luxembourg income tax exemption is available until 2021, after which the applicable tax rate steps up to 29%. Our Nicaragua subsidiary was formed under the Free Zone Act, whereby such subsidiary is tax exempt until 2026.

We are subject to state and federal laws and regulations that require us to maintain the privacy and security of personal information that we collect from consumers. We have appointed a compliance officer to monitor our compliance with federal and state laws related to privacy, including the Gramm-Leach-Bliley Act's and the Health Insurance Portability & Accountability Act's privacy and security rules. The compliance officer also manages, implements, and oversees all internal privacy policies and security measures, including, the regular monitoring and testing of systems and equipment and quality assurance testing of sales calls.

*Certain Bermuda Law Considerations*

As a Bermuda company, we are also subject to regulation in Bermuda. Among other things, we must comply with the provisions of the Companies Act 1981 regulating the declaration and payment of dividends and the making of distributions from contributed surplus.

We are classified as a non-resident of Bermuda for exchange control purposes by the Bermuda Monetary Authority. Pursuant to our non-resident status, we may engage in transactions in currencies other than Bermuda dollars. There are no restrictions on our ability to transfer funds in and out of Bermuda or to pay dividends to United States residents that are holders of our common shares.

Under Bermuda law, "exempted" companies are companies formed for the purpose of conducting business outside Bermuda. As an exempted company, we may not, without a license granted by the Minister of Economic Development, participate in certain business transactions, including transactions involving Bermuda landholding rights and the carrying on of business of any kind, for which we are not licensed in Bermuda. Until our shares are listed on an "Appointed Stock Exchange" (which includes the Nasdaq Global Market), issues and transfers of our voting shares require the approval of the Bermuda Monetary Authority pursuant to the Exchange Control Act 1972 (and related regulations).



## Employees

Our employees are our most valuable asset. Our success depends on our ability to hire, train and retain sufficient numbers of agents and other employees in a timely fashion at our facilities to support our operations. Key enablers to meeting that challenge are our distinct culture and initiatives focused on employee recruitment, training, engagement and retention.

As of June 30, 2017, we had 15,009 employees worldwide. The following table sets forth our employees by functional area:

Function	Number of Employees	Percentwise
<b>Production Agents</b>	<b>11,630</b>	<b>77.5%</b>
<b>Production Support</b>	<b>2,394</b>	<b>16.0%</b>
<b>Software Engineers</b>	<b>230</b>	<b>1.5%</b>
<b>Technology, Telephony and Network Infrastructure</b>	<b>160</b>	<b>1.1%</b>
<b>Data Scientists and Engineers</b>	<b>95</b>	<b>0.6%</b>
<b>Sales and Marketing</b>	<b>69</b>	<b>0.5%</b>
<b>Corporate</b> (management, administration, finance, legal, human resources)	<b>431</b>	<b>2.9%</b>
<b>Total:</b>	<b>15,009</b>	<b>100.0%</b>

None of our employees belong to a labor union and we have never suffered a material interruption of business as a result of a labor dispute. We consider our relations with our employees worldwide to be good.

### *Culture*

We believe that we have established a strong workplace culture which is key to our ability to attract and retain our talented workforce around the globe. Our culture is built on four core values: respect, integrity, transparency and excellence. We strive to maintain a culture in which our leaders are coaches and mentors and our employees have voice and a sense of purpose and a voice and feel valued and respected. Furthermore, we believe we have established a distinctive corporate culture characterized by innovation, speed and organizational nimbleness. In tandem with our strong workplace culture, our corporate culture has been instrumental to our growth and our ability to deliver high-quality solutions to clients around the globe. We encourage a strong team orientation, which allows our talented workforce of over 15,000 employees to design and deliver innovative solutions to our clients around the globe to optimize their customer lifecycle experience.

### *Recruitment*

To ensure we can attract qualified employees, we strive to offer a competitive benefits package, a strong workplace culture and working environment and most importantly, competitive compensation that either meets or exceeds marketplace standards. We deploy numerous tools that are effective in attracting employees. This includes working with local government workforce agencies in all geographies where we have a presence; doing this ensures we have a presence as a local employer in every market and ensures we are included in their career fairs and are recommended consistently. Additionally, we have a strong employee referral program, which encourages our current employees to recommend us to their family and friends. We have found this to be the greatest source of qualified individuals.

### *Training and Coaching*

Our customer-facing agents typically go through eight hours of orientation and 32-80 hours of foundation skills. This includes customer specific training such as customer service training, technical or sales training. Once agents have completed product specific training, which can last up to 240 hours depending on the client and the application, they

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are put into an on-the-job experience (lasting from 40 to 80 hours), during which the agents take live calls and receive hands-on training, coaching and feedback. They also experience quality assurance (QA) monitoring and reinforcement. Once agents have been trained and are on the production floor, they receive consistent coaching and guidance. The coach plays the role of facilitator to fully empower the agents. Our coaching module equips the team managers with the necessary knowledge, skills and attitude required to be successful mentors. Team managers are then able to engage effectively with mentees to address any non-performance issues and ensure our employees feel valued and recognized.

*Employee Work Environment*

Our employee work environment is anchored by our distinct culture. In addition, we provide attractive, functional physical spaces. Our workspaces are bright and modern with several common areas for rest and recreation. Our centers reflect our culture's values with open areas for coaching and celebrating success. Our workstations are ergonomically designed to provide maximum comfort to our employees. We consider our onsite dining options, nurse's stations, day-care and transportation services to be industry-leading. Furthermore, our technology is designed to enable the most efficient and productive work environment for our employees. Our intranet provides access to pertinent and valuable information regarding schedules, job opportunities and important company announcements. Our technological enhancements allow employees to view information regarding their individual and team results. Finally, our online systems allow the agents to manage their careers with us.

*Retention*

Our distinct culture, employee engagement, recruiting and training are all designed to ensure we retain our employees. As important as it is to work hard every day, we consider it as important to ensure we have time for rewarding exceptional performance, fun events, volunteering in the community and celebrating accomplishments together. In order to engender our employees' sense that they are an integral part and valued member of our company, we strive to recognize the important times in our employees' work life, including birthdays, birth of child and promotions.

**Facilities and Delivery**

As of June 30, 2017, we operate 25 delivery centers. Our delivery centers are in the following countries:

Location	Number of Centers	Number of Workstations
United States	12	3,742
Jamaica	1	1,060
Nicaragua	1	417
Pakistan	5	2,173
Philippines	4	4,052
Senegal	1	210
United Kingdom	1	70
<b>Total:</b>	<b>25</b>	<b>11,724</b>

Our executive management offices are located in Washington, DC, which consist of approximately 3,800 square feet of leased office space. This facility currently serves as the headquarters for senior management and the financial, information technology and administrative departments. Our sales organization is distributed in virtual offices in the following geographies around the world: throughout the US, and in Canada, Pakistan, UK and the Philippines.

We also lease four data center locations in the United States.

We believe our existing facilities are suitable and adequate to meet current requirements, and that suitable additional or substitute space will be available as needed to accommodate any physical expansion or any space required due to expiring leases not renewed.

We operate from time to time in temporary facilities to accommodate growth before new centers are available. For further details, see "Management's Discussion and Analysis of Financial Condition and Results of Operations Components of Results of Operations—Key Factors Affecting Our Performance—Factors Affecting our Operating Profit Margins—Capacity Utilization" and "Management's Discussion and Analysis of Financial Condition and Results of Operations Components of Results of Operations—Key Operational Metrics—Capacity Utilization."

We lease all of our facilities and do not own any real property. We intend to procure additional space in the future as we continue to add employees and expand geographically.

### **Technology Infrastructure**

We believe we have a flexible, scalable, resilient, and reliable technology infrastructure that helps us deliver our CLX suite to our clients with industry-standard security measures. We utilize industry leading hardware and software components to provide for and enable the rapid growth of our business. We employ virtualization to maximize utilization where appropriate. Maintaining the integrity and security of our technology infrastructure is critical to our business, and as such we leverage industry-standard security and monitoring tools to ensure performance across our network.

Our CLX suite and CLX Product Cloud technologies operate on our software and hardware infrastructure, which provides substantial computing resources at low cost. We currently use a combination of off-the-shelf and custom software that has been developed in-house and runs on clusters of commodity computers and servers. Although most of our infrastructure is not directly visible to our clients or consumers, we believe it is important for providing a high-quality user experience. Our considerable investment in developing this infrastructure has produced several key benefits. It simplifies the storage and processing of large amounts of data, eases the deployment and operation of large-scale global solutions, and automates much of the administration of large-scale clusters of servers. Our infrastructure enables significant improvements in our algorithms that are computationally intensive. We believe the infrastructure also shortens our product development cycle and allows us to pursue innovation more cost effectively.

We constantly evaluate new hardware alternatives and software techniques to further reduce our computational costs. This allows us to improve our existing products and services and to more easily develop, deploy and operate new software products and applications.

Our technology infrastructure supporting our CLX solutions is designed according to our clients' needs. Our technology systems can integrate with our clients' existing infrastructure where required. This approach enables us to deliver the optimal infrastructure mix irrespective of whether our delivery platforms are onshore, offshore or nearshore. Our systems have been integrated in over 20 diverse delivery center platforms, CRM tools, bid management technologies, verification systems, and delivery center operations using Afiniti, Aspect, Asterisk, Avaya, AWS, Cisco, eBureau, Genesys, Jornaya, Kenshoo, IEX / NICE, Interactive Intelligence, Neustar, Noble, Oracle, Salesforce, Stratasoft, Verint and other telephony, customer relationship management and ancillary systems. We have extensive experience in providing the customized integrations that clients require to deploy our solution within their delivery center operations.

Our deployment team is trained to achieve timely implementation so as to minimize our clients' time-to-market. Our infrastructure supporting 60 million customer interactions annually consists of 25 delivery centers and 11,724 workstations distributed globally.

We work with the main telephony carriers at the local and international levels. We have a solid and flexible telecommunications infrastructure, which provides business continuity through redundant architectures and interconnection schemes in most of our facilities. We work with leading telephony and MPLS circuitry providers including AT&T, Century Link, PLDT and Globe. For the year ended June 30, 2017 we had less than 0.06% unscheduled systems downtime.

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Our four data centers hosting our software products, applications and technology infrastructure supporting our facilities are built on reliable and secure and fully redundant architecture, with an unrelenting focus on the protection of client and consumer data. Our self-managed and third-party managed hosting facilities provide both physical security measures, including year-round manned security, biometric access controls and video surveillance systems, and systems security measures, including firewalls, environmental controls, and redundant power and Internet connectivity. Our four data centers are distributed nationally in the United States in Dallas and San Antonio, Texas, and Hampton and Ashburn, Virginia, and operate continuously with an uptime of 99.9%. We intend to expand our operations in these and other self-managed colocation data centers over time, although in certain markets we may elect to not pursue this self-managed colocation strategy depending on individual market dynamics. Certain of our clients, as well as backup and certain attachment data will continue to be hosted at third-party managed hosting facilities in the United States and Europe for the foreseeable future.

We have implemented strong quality standards into our operations with an emphasis on operational excellence, product management and statistical analysis to improve our performance and provide better results for our clients. A number of our facilities are compliant with multiple standards and frameworks for service availability and information security management including COPC, ISO 27001 and PCI. A majority of our data centers are certified across various standards including: ISO 27001, PCI DSS, SOC 1 Type II, and SOC 2 Type II, and our Medicare insurance agency division facilities are HIPAA compliant. Our robust physical and logical controls meet the compliance and security requirements across our client base.

We use leading products for network and security monitoring including SolarWinds, Palo Alto Advance Threat Management Systems, Cisco Security Devices, Logrhythm SIEM, SNORT IDS, Tripwire, and NESSUS devices.

Our physical network is maintained by a high-quality infrastructure and networking organization, which consists of 160 people around the world who are dedicated to seamless, uninterrupted service delivery to our clients. This includes 16 dedicated security and compliance professionals responsible for cyber security, fraud, and compliance:

Teams	# of Employees
Network and Server Engineers	29
Telephony	18
Field Support	46
Security and Compliance	25
Global IT	42
Total	160

**Legal Proceedings**

We are subject to various claims and legal actions in the ordinary course of business. We are currently of the opinion that these claims and legal actions will not have a material adverse impact on our consolidated position and / or the results of our operations.

*Mary Andrews et al. v. TRG Customer Solutions, Inc. d/b/a IBEX Global Solutions*

In November 2014, a group of current and former employees filed a collective action under the US Fair Labor Standards Act ("FLSA") and Tennessee law in the US District Court of Tennessee against TRG Customer Solutions, Inc. d/b/a IBEX Global Solutions, alleging that such plaintiffs were forced to work "off the clock" without being paid for that time. In December 2014, a similar FLSA collection action case was filed against IBEX Global Solutions in the US District Court for the District of Columbia. In February 2015, the two cases were consolidated in Tennessee and the plaintiffs agreed to submit all claims to binding arbitration before the American Arbitration Association. Presently, there are approximately 3,500 individuals who have opted into the FLSA class action claims, and there are pending wage and hour class action claims under various state laws involving approximately 25,000 potential class action claimants. State class certification motions are currently due to be filed in November 2017. Discovery and internal

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investigations into this matter are ongoing. The plaintiffs have not identified the amount of damages sought at this time, and we cannot reasonably determine such damages at this time. We intend to vigorously defend this action and have made a reserve against this matter of \$1,000,000 reflecting the cost of defense.

Myers et. al. v. TRG Customer Solutions, Inc. d/b/a IBEX Global Solutions

In June 2017, the plaintiffs' lawyers in the Andrews matter filed a tag-along nationwide collective action in Tennessee federal court, asserting FLSA and state law wage and hour class action claims. In August 2017, the court found that all such class action claims are precluded by class action waivers signed by the named plaintiffs as a condition of their employment with IBEX and directed the parties to meet and confer to arbitrate plaintiffs' individual claims before the American Arbitration Association. In November 2017, the Court granted IBEX's motion to compel arbitration of those plaintiffs who have signed class action waivers, but allowed the plaintiff to amend their complaint with any plaintiffs they allege to have not signed the class action waiver. We intend to vigorously defend this action and have not made any reserve given that the probability for liability or settlement, as well as the amount of any damages, are not estimable at this time.

Cronk v. TRG Customer Solutions, Inc. d/b/a IBEX Global Solutions

In June 2017, a group of current and former employees filed a lawsuit against IBEX Global Solutions in Tennessee federal court alleging wage and hour claims under the FLSA and various state laws. On August 21, 2017, we filed a motion to dismiss the class allegations and to compel arbitration of the individual claims. In November 2017, the Court granted IBEX's motion to compel arbitration, but allowed the plaintiff to amend their complaint with any suitable plaintiffs to the extent they exist. We intend to vigorously defend this action and have not made any reserve given that the probability for liability or settlement, as well as the amount of any damages, are not estimable at this time.

In connection with a corporate reorganization of the Medicare insurance agency division, we provided an indemnity to Mr. Anthony Solazzo, the chief executive officer of the Medicare insurance agency division and one of our shareholders, in connection with certain reorganization steps involving Mr. Solazzo's shareholding. Our indemnification obligation is capped at \$2 million. No claim under the indemnity has been made, and we believe that any material indemnity exposure for us is unlikely.

## MANAGEMENT

The following table sets forth the name, age as of June 30, 2017 and position of each of our executive officers and directors. Unless otherwise stated, the business address for all of our executive officers and members of our board of directors is c/o IBEX Holdings Limited, 1700 Pennsylvania Avenue NW, Suite 560, Washington, DC 20006, USA.

Name	Age	Position
<b>Executive Officers</b>		
Mohammed Khaishgi	50	Chief Executive Officer
Karl Gabel	54	Chief Financial Officer
Robert Dechant	55	Chief Executive Officer, IBEX Interactive
Anthony Solazzo	57	Chief Executive Officer, IBEX Insurance
Jeffrey Cox	48	President, IBEX Digital
Bruce Dawson	53	Chief Sales and Client Services Officer

### Non-Employee Directors

#### Our Executive Officers

**Mohammed Khaishgi** has served as our chief executive officer since September 2017. Mr. Khaishgi also serves as a founding partner and chief operating officer of TRGI, a position he held since TRGI's inception in 2002 responsible for overseeing TRGI's day-to-day operations, including management and oversight of its portfolio of direct holdings. Prior to joining TRGI, Mr. Khaishgi was a senior director at Align Technology, where he managed Align's offshore delivery center and back office services operations. Mr. Khaishgi was previously a senior investment officer at the World Bank's International Finance Corporation (the "IFC") where he was responsible for the IFC's portfolio of investments in the Asian telecommunications and technology sectors. Mr. Khaishgi received his undergraduate degree in electrical engineering from the University of Engineering and Technology in Lahore, Pakistan, an additional B.A. degree in philosophy, politics and economics from the University of Oxford where he was a Rhodes Scholar, and a M.B.A. degree from Harvard Business School.

**Karl Gabel** has served as our chief financial officer since November 2017. From 2004 until 2017, Mr. Gabel served in multiple finance leadership functions, including as the chief financial officer, of IBEX Global Solutions, one of the Continuing Business Entities. Mr. Gabel holds a B.S. degree in accounting from Pennsylvania State University and a M.B.A. degree from St. Joseph's University.

**Robert Dechant** has served as the chief executive officer of IBEX Interactive since September 2017. From 2015 until 2017, Mr. Dechant served as chief executive officer of IBEX Global Solutions. From 2012 until 2015, Mr. Dechant served as the chief sales, marketing and client services officer at Qualfon, Inc., a global provider of call center, back office, and business process outsourcing services, and the chief marketing and operations officer at Stream Global Services, a large multinational business process outsourcing provider which merged with Convergys in 2014. Mr. Dechant holds a B.S. degree from Fairfield University.

**Anthony Solazzo** has served as the chief executive officer of IBEX Insurance since September 2017. Mr. Solazzo is an insurance industry veteran with thirty years of experience in building and scaling companies within the industry. From 2006 to 2010, Mr. Solazzo was the chief executive officer of TRG Insurance Solutions, a provider of outsourced sales services to the insurance industry. TRG Insurance Solutions was started by Mr. Solazzo as bpo3 in 2004. TRG Insurance Solutions acquired a majority stake in 2006, and successfully exited this investment in 2010 through a sale to Tranzact. Thereafter, Mr. Solazzo was part of the Tranzact management team until he partnered again with TRGI to start e-TeleQuote in 2011. Prior to bpo3, Mr. Solazzo was Vice President of Business Development at First Source, a large offshore business process outsourcing firm focused on insurance sales. Previously, Mr. Solazzo managed around 2,500 sales agents at Jackson National Life, a top-25 life and annuity insurance company in the United States. Mr. Solazzo has a B.A. degree from Eckerd College.

**Jeffrey Cox** has served as president of IBEX Digital since 2008, when he founded Digital Globe Services Limited. Mr. Cox has over twenty years of wireless and cable sales and operations experience and has held executive position in sales channel development and execution, on and off-line marketing programs and call center sales and operations for some of the world's most recognized brands. Mr. Cox holds a B.A. degree from San Diego State University.

**Bruce Dawson** has served as our chief sales and client services officer since 2017. From 2016 until 2017, he held the same role for IBEX Global Solutions, one of the Continuing Business Entities. From 2014 until 2016, Mr. Dawson served as U.S. nearshore regional director for Atento S.A. Prior to joining Atento S.A., Mr. Dawson served at SITEL Corporation from October 2012 to March 2014 and Stream Global Services from October 2008 to August 2012. Mr. Dawson has held management positions at various companies in the BPO industry bringing as well experience from the software and telecommunications sector. He holds a B.A. degree in psychology from Denison University.

#### **Our Directors**

##### **Election of Officers**

Our executive officers are elected by, and serve at the discretion of, our board of directors. There are no familial relationships among our directors and executive officers.

##### **Board Composition and Election of Directors**

###### *Board Composition*

Our board of directors currently consists of \_\_\_\_\_ members. Our bye-laws that will become effective upon the closing of this offering provide that our board of directors shall consist of up to ten directors, unless otherwise determined by us in general meeting. Our directors generally hold office for such terms as our shareholders may determine or, in the absence of such determination, until the next annual general meeting or until their successors are elected or appointed or their office is otherwise vacated.

Our directors currently serve on the board of directors pursuant to the voting provisions of our bye-laws, under which certain directors may be nominated by \_\_\_\_\_.

For additional information regarding our board of directors, see "Description of Share Capital—Election and Removal of Directors."

###### *Director Independence*

Our board of directors has undertaken a review of the independence of the directors and considered whether any director has a material relationship with us that could compromise his or her ability to exercise independent judgment in carrying out his or her responsibilities. Based upon information requested from and provided by each director concerning such director's background, employment and affiliations, including family relationships, our board of directors determined that \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_, and \_\_\_\_\_, representing \_\_\_\_\_ of our directors, are "independent directors" as defined under the listing standards of the \_\_\_\_\_. In making these determinations, our board of directors considered the current and prior relationships that each non-employee director has with our company and all other facts and circumstances that our board of directors deemed relevant in determining their independence, including the beneficial ownership of our share capital by each non-employee director and the transactions involving them described in "Related Party Transactions."

Following the completion of this offering, we will be a "controlled company" under the rules of Nasdaq because more than 50% of the voting power of our shares will be held by TRGI. See "Principal and Selling Shareholder." We intend to rely upon the "controlled company" exception relating to the board of directors and committee independence

requirements under the Nasdaq listing rules. Pursuant to this exception, we will be exempt from the rules that would otherwise require that our board of directors consist of a majority of independent directors and that our compensation committee and nominating and governance committee be composed entirely of independent directors. The “controlled company” exception does not modify the independence requirements for the audit committee, and we intend to comply with the requirements of the Exchange Act and the rules of Nasdaq, which require that our audit committee have a majority of independent directors upon consummation of this offering, and exclusively independent directors within one year following the effective date of the registration statement relating to this offering.

#### **Board Committees**

Upon the completion of this offering, we will have an audit committee, a compensation committee and a nominating and corporate governance committee. We have adopted a charter for each of these committees.

##### *Audit Committee*

Upon the completion of this offering, our audit committee will consist of , , and . will be the chair of the audit committee. Each member satisfies the independence requirements of the listing standards, and qualifies as an “audit committee financial expert,” as defined in Item 16A of Form 20-F and as determined by our board of directors. The audit committee will oversee our accounting and financial reporting processes and the audits of our audited consolidated financial statements. The audit committee will be responsible for, among other things:

- making recommendations to our board regarding the appointment by the shareholders at the general meeting of shareholders of our independent auditors;
- overseeing the work of the independent auditors, including resolving disagreements between management and the independent auditors relating to financial reporting;
- pre-approving all audit and non-audit services permitted to be performed by the independent auditors;
- reviewing the independence and quality control procedures of the independent auditors;
- discussing material off-balance sheet transactions, arrangements and obligations with management and the independent auditors;
- reviewing and approving all proposed related-party transactions;
- discussing the annual audited consolidated and statutory financial statements with management;
- annually reviewing and reassessing the adequacy of our audit committee charter;
- meeting separately with the independent auditors to discuss critical accounting policies, recommendations on internal controls, the auditor’s engagement letter and independence letter and other material written communications between the independent auditors and the management; and
- attending to such other matters as are specifically delegated to our audit committee by our board from time to time.

##### *Compensation Committee*

Upon the completion of this offering, our compensation committee will consist of , , and . will be the chair of the compensation committee. Each member satisfies the independence requirements of the Nasdaq listing standards. The compensation committee will assist the board in reviewing and approving or recommending our compensation structure, including all forms of compensation relating to our directors and management. Members of our management may not be present at any committee meeting while the compensation of our chief executive officer is deliberated. The compensation committee will be responsible for, among other things:

- reviewing and approving the compensation, including equity compensation, change-of-control benefits and severance arrangements, of our chief executive officer, chief financial officer and such other members of our management as it deems appropriate;



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- overseeing the evaluation of our management;
- reviewing periodically and making recommendations to our board with respect to any incentive compensation and equity plans, programs or similar arrangements; and
- attending to such other matters as are specifically delegated to our compensation committee by our board from time to time.

*Nominating and Corporate Governance Committee*

Upon the completion of this offering, our nominating and corporate governance committee will consist of \_\_\_\_\_, and \_\_\_\_\_ will be the chair of the nominating and corporate governance committee. Each member satisfies the independence requirements of the listing standards. The nominating and corporate governance committee will assist the board in selecting individuals qualified to become our directors and in determining the composition of the board and its committees. The nominating and corporate governance committee will be responsible for, among other things:

- recommending to the board of directors persons to be nominated for election or re-election to the board at any meeting of the shareholders;
- overseeing the board of directors' annual review of its own performance and the performance of its committees; and
- considering, preparing and recommending to the board a set of corporate governance guidelines.

**Other Corporate Governance Matters**

The Sarbanes-Oxley Act of 2002, as well as related rules subsequently implemented by the SEC, requires foreign private issuers, including our company, to comply with various corporate governance practices. In addition, rules provide that foreign private issuers may follow home country practice in lieu of corporate governance standards, subject to certain exceptions and except to the extent that such exemptions would be contrary to U.S. federal securities laws.

We intend to take all actions necessary for us to maintain compliance as a foreign private issuer under the applicable corporate governance requirements of the Sarbanes-Oxley Act of 2002, the rules adopted by the SEC and the Nasdaq listing standards.

Because we are a foreign private issuer, our directors and senior management are not subject to short-swing profit and insider trading reporting obligations under section 16 of the U.S. Securities Exchange Act of 1934, as amended, or the Exchange Act. They will, however, be subject to the obligations to report changes in share ownership under section 13 of the Exchange Act and related SEC rules.

As a foreign private issuer, we are also exempt from certain corporate governance standards applicable to U.S. issuers. For example, Section 303A of the Exchange Act requires listed companies to have, among other things, a majority of their board members be independent, and to have independent director oversight of executive compensation, nomination of directors and corporate governance matters. As a foreign private issuer, however, we are permitted to follow Bermuda practice in lieu of the above requirements, under which there is no requirement that a majority of our directors be independent.

**Code of Business Conduct and Ethics**

We will adopt a code of business conduct and ethics applicable to our principal executive, financial and accounting officers and all persons performing similar functions. A copy of that code will be available on our website at [www.ibex.co](http://www.ibex.co) upon the closing of this offering. We expect that any amendments to such code, or any waivers of its requirements, will be disclosed on our website.

## **Risk Oversight**

Our board of directors is currently responsible for overseeing our risk management process. The board of directors focuses on our general risk management strategy and the most significant risks facing us, and ensures that appropriate risk mitigation strategies are implemented by management. The board of directors is also apprised of particular risk management matters in connection with its general oversight and approval of corporate matters and significant transactions.

Following the completion of this offering, our board of directors will delegate to the audit committee oversight of our risk management process. Our other board committees will also consider and address risk as they perform their respective committee responsibilities. All committees will report to the full board of directors as appropriate, including when a matter rises to the level of a material or enterprise level risk.

Our management is responsible for day-to-day risk management. This oversight includes identifying, evaluating, and addressing potential risks that may exist at the enterprise, strategic, financial, operational, compliance and reporting levels.

## **Compensation of Executive Officers and Directors**

### *Directors*

For the year ended June 30, 2017, we did not pay cash compensation to our non-employee directors. We intend to enter into director services agreements with each of , pursuant to which we agreed to pay each of these directors cash compensation of \$ annually and agreed to recommend to our board of directors that each director be granted an option to purchase common shares with an exercise price equal to the fair market value of the common shares at the date of grant. None of our directors have entered into service agreements with us that provide for benefits upon termination of their directorship.

### *Executive Officers*

For the year ended June 30, 2017, the aggregate cash compensation, including benefits in kind, accrued or paid to our executive officers was approximately \$ . For the year ended June 30, 2017, Mohammed Khaishgi, our chief executive officer, did not receive any compensation from us. For the year ended June 30, 2017, Karl Gabel, Robert Dechant, Anthony Solazzo, Jeffrey Cox and Bruce Dawson were each paid in accordance with their employment agreements with our subsidiaries.

The equity ownership of our executive officers and directors is described below under the heading "Principal and Selling Shareholder."

## **Predecessor Plans**

### *IBEX 2013 Stock Plan*

IBEX Global Solutions, Ltd. adopted a plan on June 4, 2013 prior to the AIM listing of IBEX Global Solutions plc (the "Pre-AIM Plan") and a plan on June 28, 2013 after the completion of the AIM listing (the "Post-AIM Plan" and together with the Pre-AIM Plan, the IBEX 2013 Stock Plans), which provided for grants of stock options and restricted stock awards to certain of its executive officers and employees. As of June 30, 2017, there were 1,760,892 of stock options outstanding under the Pre-AIM Plan. As of June 30, 2017, there were 3,200,427 of stock options outstanding under the Post-AIM Plan.

### *Phantom Stock Plans*

In June 2013, each of IBEX Philippines Inc., IBEX Global Solutions (Private) Limited, The Resource Group Senegal S.A., Virtual World (Private) Limited adopted phantom stock plans (collectively, the "Phantom Stock Plans"), which provided for grants of "phantom stock options" to certain of their executive officers and employees. Each phantom

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stock option provided the participant with a contractual right to receive upon vesting an amount equal to the difference between the fair market value of a share at the time of exercise and the exercise price of the option per share. As of June 30, 2017, there were 875,625 phantom stock options outstanding under the Phantom Stock Plans, none of which were exercisable.

*Etelequote 2013 Stock Plan*

In March 2014, The Resources Group International Ltd. adopted the 2013 Etelequote Stock Plan, which provided for grants of stock options and restricted stock awards to certain of its and Etelequote Limited's executive officers and employees. As of June 30, 2017, there were 39,700,000 stock options outstanding under the 2013 Etelequote Stock Plan, 33,633,600 of which were exercisable.

*Digital Globe Services Limited 2013 Stock Plan*

In February 2013, Digital Globe Services Limited adopted the 2013 Stock Plan (the "DGSL 2013 Stock Plan"), which provided for grants of stock options and restricted stock awards to certain of its employees. As of June 30, 2017, there were no stock options outstanding under the DGSL 2013 Stock Plan. Following an exchange, which occurred on June 15, 2017, the 2013 Stock Plan was terminated and holders of stock options under the 2013 Stock Plan received stock options under DGS Limited 2017 plan.

*Digital Globe Services Limited 2015 Stock Plan*

In April 2015, Digital Globe Services Limited adopted the 2015 Stock Plan (the "DGSL 2015 Stock Plan"), which provided for grants of stock options and restricted stock awards to certain of its employees. Following an exchange, which occurred in December 2016, all options granted under the DGSL 2015 Stock Plan were transferred to the DGSL 2013 Stock Plan. As of June 30, 2017, there were no stock options outstanding under the DGSL 2015 Stock Plan.

*DGS 2017 Stock Plan*

In June 2017, DGS Limited adopted the 2017 Stock Plan (the "DGSL 2017 Stock Plan"), which provided for grants of stock options and restricted stock awards to certain of its employees. As of June 30, 2017, there were 1,131,730 stock options outstanding under the DGSL 2017 Stock Plan, 737,308 of which were exercisable.

On December 22, 2017, all of our predecessor stock options were cancelled and new options were issued pursuant to the 2017 Stock Plan (as defined below).

**2017 Stock Plan**

On June 20, 2017, our board of directors and shareholders approved and adopted the 2017 Stock Plan (the "2017 Plan"). The following description of the 2017 Plan is qualified in its entirety by the full text of the 2017 Plan, which has been filed with the SEC as an exhibit to the registration statement of which this prospectus forms a part.

*Purpose*

We believe that the 2017 Plan will enable us to attract and retain the best available personnel for positions of substantial responsibility, to provide additional incentive to our employees, consultants and directors, and to promote the success of our business.

*Types of Awards*

The 2017 Plan provides for grants of stock options and restricted stock awards.

*Eligibility*

Selected employees, consultants or directors of our company or our affiliates will be eligible to receive nonstatutory stock options and restricted stock awards under the 2017 Plan, but only employees of our company will be eligible to receive incentive stock options.

*Administration*

The 2017 Plan is administered by our board of directors, a committee (or subcommittee) appointed by our board of directors, or any combination, as determined by our board of directors. Subject to the provisions of the 2017 Plan and, in the case of a committee (or subcommittee), the specific duties delegated by our board of directors to such committee (or subcommittee), the administrator has the authority to, among other things, determine the per share fair market value of our common shares, select the individuals to whom awards may be granted; determine the number of shares covered by each award, approve the form(s) of agreement(s) and other related documents used under the 2017 Plan, determine the terms and conditions of awards, amend outstanding awards, establish the terms of and implement an option exchange program, and construe and interpret the terms of the 2017 Plan and any agreements related to awards granted under the 2017 Plan. Our board of directors may also delegate authority to one or more of our officers to make awards under the 2017 Plan.

*Available Shares*

The number of common shares that we may issue with respect to awards granted under the 2017 Plan will not exceed an aggregate of 2,007,498. This limit may be adjusted to reflect certain changes in our capitalization, such as share splits, reverse share splits, share dividends, recapitalizations, rights offerings, reorganizations, mergers, consolidations, spin-offs, split-ups and similar transactions. If an award expires or becomes unexercisable for any reason without having been exercised in full, or is surrendered pursuant to an option exchange program, the common shares subject to such award will be available for further awards under the 2017 Plan. Common shares used to pay the exercise or purchase price of an award or tax obligations will be treated as not issued and will continue to be available under the 2017 Plan. Common shares issued under the 2017 Plan and later forfeited to us due to the failure to vest or repurchased by us at the original purchase price paid to us for such common shares will again be available for future grant under the 2017 Plan.

*Award Agreements*

Awards granted under the 2017 Plan will be evidenced by award agreements, which need not be identical and which will be modified to the extent necessary to comply with applicable law in the relevant jurisdiction of the respective participant, that provide additional terms of the award, as determined by the administrator.

*Stock Options*

The 2017 Plan allows the administrator to grant incentive stock options, as that term is defined in section 422 of the Internal Revenue Code, or non-statutory stock options. Only our employees may receive incentive stock option awards. The term of each option may not exceed ten years, or five years in the case of an incentive stock option granted to a ten percent shareholder. No incentive stock option or non-qualified stock option may have an exercise price less than the fair market value of a common share at the time of grant or, in the case of an incentive stock option granted to a ten percent shareholder, 110% of such share's fair market value. Options will be exercisable at such time or times and subject to such terms and conditions as determined by the administrator at grant and the exercisability of such options may be accelerated by the administrator.

*Restricted Stock*

The 2017 Plan allows the administrator to grant restricted stock awards. Once the restricted stock is purchased or received, the participant will have the rights equivalent to those of a holder of our common shares, and will be a

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record holder when his or her purchase and the issuance of the common shares is entered upon the records of our duly authorized transfer agent. Unless otherwise determined by the administrator, we will have a right to repurchase any grants of restricted stock upon a recipient's voluntary or involuntary termination of employment for any reason at a price equal to the original purchase price of such restricted stock.

*Stockholder Rights*

Except as otherwise provided in the applicable award agreement, and with respect to an award of restricted stock, a participant will have no rights as a shareholder with respect to common shares covered by any award until the participant becomes the record holder of such common shares.

*Amendment and Termination*

Our board of directors may, at any time, amend or terminate the 2017 Plan but no amendment or termination may be made that would materially and adversely affect the rights of any participant under any outstanding award, without his or her consent.

*Transferability*

Subject to certain limited exceptions, awards granted under the 2017 Plan may not be sold, pledged, assigned, hypothecated, transferred or disposed of in any manner other than by will or by the laws of descent or distribution.

*Effective Date; Term*

The 2017 Plan became effective on June 20, 2017 and will expire on June 20, 2027 unless terminated earlier by the board of directors.

**PRINCIPAL AND SELLING SHAREHOLDER**

The following table sets forth information with respect to the beneficial ownership of our common shares as of June 30, 2017 by:

- each of our directors;
- each of our executive officers;
- all of our directors and executive officers as a group; and
- each person, or group of affiliated persons, who is known by us to beneficially own more than 5% of our common shares, and who are referred to as our major shareholders.

The column entitled "Shares Beneficially Owned Before this Offering" is based on a total of 7,750,141 common shares outstanding as of June 30, 2017. The column entitled "Shares Beneficially Owned After this Offering if the underwriters' option is not exercised" gives effect to the issuance of common shares that we are selling in this offering if the underwriters do not exercise their option to purchase additional shares. The column entitled "Shares Beneficially Owned After this Offering if the underwriters' option is exercised in full" gives effect to the issuance of common shares that we are selling in this offering and the issuance of common shares if the underwriters exercise their option to purchase additional shares in full.

Beneficial ownership is determined in accordance with the rules and regulations of the SEC and includes voting or investment power with respect to our common shares. Common shares subject to options that are exercisable within 60 days of June 30, 2017 are considered outstanding and beneficially owned by the person holding the options for the purpose of calculating the percentage ownership of that person but not for the purpose of calculating the percentage ownership of any other person. Except as otherwise noted, the persons and entities in this table have sole voting and investing power with respect to all of our common shares beneficially owned by them, subject to community property laws, where applicable.

Upon the consummation of this offering and the adoption of our amended and restated bye-laws that will become effective upon the closing of this offering, our major shareholders will not have voting rights that are different from our shareholders in general. We have set forth below information regarding any significant change in the percentage ownership of our common shares by any of our major shareholders during the past three years.

Except as otherwise set forth below, the address of the beneficial owner is c/o IBEX Holdings Limited, 1700 Pennsylvania Avenue NW, Suite 560, Washington, DC 20006, USA.

Name	Shares Beneficially Owned Before this Offering		Shares Beneficially Owned After this Offering if the underwriters' option is not exercised		Shares Beneficially Owned After this Offering if the underwriters' option is exercised in full	
	Number of Shares	Percentage	Number of Shares	Percentage	Number of Shares	Percentage
<b>Principal Shareholder:</b>						
The Resource Group International Limited <sup>(1)</sup>	11,606,000	92.8%				
<b>Executive Officers and Directors:</b>						
Mohammed Khaishgi	—	—				
Karl Gabel	—	—				
Robert Dechant	—	—				
Anthony Solazzo	533,818	4.3%				
Jeffrey Cox	360,184	2.9%				
Bruce Dawson	—	—				
<b>All executive officers and directors as a group (six persons)<sup>(2)</sup></b>						
	894,002	7.2%				

(1) The Resource Group International, Ltd., or TRGI, is controlled by TRG Pakistan Limited, or TRGP, a publicly traded Pakistan corporation listed on the Pakistan Stock Exchange. As of November 21, 2017, TRGP beneficially owns 59% of TRGI's outstanding voting securities (46% if all outstanding non-voting common shares are converted into voting common shares). The address for TRGI is Crawford House, 50 Cedar Avenue, Hamilton HM11, Bermuda. The address for TRGP is Centre Point Building, Level 18th, off Saheed-e-Millat Expressway, Karachi, Pakistan.

(2) Certain of our executive officers and directors hold options issued by certain of our subsidiaries. We intend to exchange those options with options issued by IBEX Holdings Limited before the pricing of our initial public offering and will reflect such holdings in the table above.

**Holdings by U.S. Shareholders**

As of June 30, 2017, based on a total of 7,750,141 common shares outstanding as of June 30, 2017, and after giving effect to the automatic conversion of 4,749,861 preferred shares held by TRGI into an equivalent number of our common shares, the conversion of which will occur upon completion of this offering, approximately % of our outstanding common shares were held by record holders in the U.S.

## CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

### Reorganization Transaction

Commencing in April 2017, TRGI undertook a series of transactions (collectively, the "Reorganization Transaction"). We consider the Reorganization Transaction to be a transaction between entities under common control as all of the combining entities or businesses were ultimately controlled by TRGI both before and after the Reorganization Transaction and such control was not transitory. The principal steps in the Reorganization Transaction are described below:

- TRGI incorporated IBEX Holdings Limited, IBEX Global Limited, DGS Limited and Etelequote Limited as exempted companies with limited liability under the laws of Bermuda. TRGI then contributed to IBEX Holdings Limited 100% of its equity interests in the aforementioned newly incorporated companies (the "Continuing Business Entities"), as a result of which those three entities became wholly-owned subsidiaries of IBEX Holdings Limited.
- TRGI contributed to IBEX Holdings Limited a portion of its equity interest in each of the predecessor intermediate holding companies for the Continuing Business Entities sufficient to confer control over those holding companies. IBEX Holdings Limited in turn contributed those equity interests downstream to the Continuing Business Entities. In addition, TRGI contributed to IBEX Holdings Limited controlling equity interests in iSky, Inc. and iSky Technologies Canada, Inc., which are each now directly held by IBEX Holdings Limited. In consideration of the contribution of these equity interests by TRGI, IBEX Holdings Limited issued 4,749,860 of its common shares to TRGI. Mr. Jeffrey Cox, the chief executive officer of Digital Globe Services Limited, contributed to DGS Limited his entire equity interest in Digital Globe Services Limited in exchange for a number of shares in DGS Limited that gave him an indirect beneficial ownership interest in Digital Globe Services Limited equivalent to that which he held before that exchange.
- In order to eliminate an approximately 1.0% minority interest in Digital Globe Services Limited remaining after its December 2016 going-private transaction and delisting from the AIM segment of the London Stock Exchange, DGS Limited purchased all of the assets of Digital Globe Services Limited for a total purchase price of \$21,402,598, of which \$185,900 was paid in cash and \$21,216,653 was paid in the form of a promissory note in that principal amount ("DGS Limited Note"). Upon the closing of that asset purchase, Digital Globe Services Limited distributed to the approximately 1.0% minority interest the cash amount of \$185,900 (such amount, on a per share basis, representing the same amount of cash consideration as would have been paid to such minority shareholders if they had accepted the December 2016 going-private offer). In addition, Digital Globe Services Limited distributed to TRGI \$4,735,339 principal amount of the DGS Limited Note and made a distribution to DGS Limited of the remaining \$17,027,259 principal amount of the DGS Limited Note. DGS Limited then sold its equity interest in Digital Globe Services Limited to TRGI for a nominal amount.
- IBEX Holdings Limited adopted a Certificate of Designation by which the 4,749,861 common shares issued to TRGI in the second step described above were converted into an equivalent number of preference shares, which are called the "Convertible Preference Shares." The Convertible Preference Shares have a participating dividend preference of \$2.00 per share, vote with common shares on all matters, and are automatically convertible into common shares in the event of an initial public offering on the New York Stock Exchange or the NASDAQ National Market. TRGI waived any rights to preemption it had in connection with the share issuances made in the Reorganization Transaction.
- TRGI contributed to IBEX Holdings Limited its remaining equity interests in each of IBEX Global Solutions Limited, e-Telequote Plc, iSky, Inc. and iSky Technologies Canada, Inc. In addition, TRGI contributed to IBEX Holdings Limited all of its interest in the \$4,735,339 principal amount of DGS Limited Note described above. In consideration of these contributions, IBEX Holdings Limited issued to TRGI 6,856,139 of its common shares.
- Concurrently with the previous step, Mr. Jeffrey Cox contributed to IBEX Holdings Limited all of his equity interest in DGS Limited, in exchange for 360,184 newly issued common shares of IBEX Holdings Limited. In addition, Mr. Anthony Solazzo, the chief executive officer of e-Telequote Plc, contributed to IBEX Holdings



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Limited all of his equity interest in e-Telequote Plc, constituting approximately 20% of its outstanding share capital, in exchange for 533,818 newly issued common shares of IBEX Holdings Limited. The number of common shares of IBEX Holdings Limited issued to Messrs. Cox and Solazzo was determined based on the relative values of each of Digital Globe Services Limited and e-Telequote Plc. The relative values of those entities was not dependent upon the price at which common shares are being sold in this offering but rather was determined on the basis of independent third-party valuations of Digital Globe Services Limited, e-Telequote Plc and IBEX Holdings Limited.

In connection with a corporate reorganization of the ETQ business, we provided an indemnity to Anthony Solazzo, the chief executive officer of our ETQ business and one of our shareholders, in connection with certain reorganization steps involving Mr Solazzo's shareholding. The indemnification obligation is capped at £2.0 million. No claim under the indemnity has been made, and we believe that any material indemnity exposure for us is remote.

After giving effect to the above transactions (but before giving effect to the conversion of the 4,749,861 Convertible Preference Shares into common shares), TRGI holds 6,856,139, or approximately 88.5%, of our outstanding common shares and (after giving effect to the conversion of the 4,749,861 Convertible Preference Shares) will hold 11,606,000, or 92.8%, of our outstanding common shares.

DGS Limited entered into a "Profit Share Agreement" dated as of June 30, 2017 with Mr. Cox whereby, in exchange for his provision of services as chief executive officer of that entity, Mr. Cox will receive 13.9% of any cash dividends paid by DGS Limited to IBEX Holdings Limited. The Profit Share Agreement terminates upon the earliest to occur of the satisfaction of any dividend preference on the Convertible Preference Shares, the conversion of all Convertible Preference Shares issued by IBEX Holdings Limited into common shares, a sale of substantially all the assets of DGS Limited or its direct or indirect subsidiaries to an unaffiliated third party, a sale of all of the shares held by IBEX Holdings Limited in any of Continuing Business Entities to an unaffiliated third party, a sale of substantially all of the assets held by any of IBEX Global Limited or Etelequote Limited to an unaffiliated third party, and June 30, 2018. On November 1, 2017, the Profit Share Agreement was amended to increase the profit share rate from 13.9% to 16.2%.

#### **Related-Party Transactions**

##### ***TRGI Financing of Etelequote PLC and its Subsidiaries***

###### *June 2016 TRGI Loan Agreement*

Pursuant to a loan agreement dated as of June 20, 2016 (which we call the June 2016 TRGI Loan Agreement), TRGI made a loan in the principal amount of \$10.0 million to Etelequote PLC at an interest rate of 15% per annum, with a maturity date of February 20, 2017. The proceeds were used to prepay an equivalent principal amount of indebtedness owed by Etelequote PLC's subsidiary eTeleQuote Insurance, Inc. under the 2016 ETQ Notes. On June 30, 2016, Etelequote PLC refinanced the \$10.0 million loan under the June 2016 TRGI Loan Agreement by issuing to TRGI an equivalent principal amount of convertible loan notes under the Convertible Loan Facility at an interest rate of 15.0% per annum and maturity upon demand by TRGI. Pursuant to a July 20, 2016 amendment to the June 2016 TRGI Loan Agreement, TRGI made a \$5.0 million loan to Etelequote PLC at an interest rate of 15% per annum, with a maturity date of February 20, 2017. On September 30, 2016, Etelequote PLC refinanced the \$5.0 million loan made pursuant to the July 20, 2016 amendment to the June 2016 TRGI Loan Agreement by issuing to TRGI \$5.2 million of convertible loan notes under the Convertible Loan Facility at an interest rate of 15.0% per annum and maturity upon demand by TRGI. As a result, as of June 30, 2017, no indebtedness remains outstanding under the June 2016 TRGI Loan Agreement and it has been terminated.

###### *June 2017 TRGI Loan*

On June 15, 2017, TRGI made a \$1.0 million loan to Etelequote PLC at an interest rate of 15% per annum, with a maturity date of June 30, 2018.

*Guarantees of Senior Secured Notes*

TRGI has guaranteed several issuances of senior secured notes by our subsidiary e-TeleQuote Insurance, Inc. TRGI was the guarantor of \$6.0 million principal amount of 2015 ETQ Notes at an interest rate of 18.0% per annum, with a maturity date of February 19, 2016 (which were repaid in 2016), and \$10.0 million principal amount of 2016 ETQ Notes at an interest rate of 15% per annum, with a maturity date of February 19, 2017 (which were prepaid in 2016 as described above under “June 2016 TRGI Loan Agreement”) and is the guarantor of \$9.8 million principal amount of 2017 ETQ Notes at an interest rate of 12.0% per annum, with a maturity date of June 12, 2018. For additional information on the 2015 ETQ Notes, the 2016 ETQ Notes and the 2017 ETQ Notes, see “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Financing Arrangements—Customer Acquisition—eTeleQuote Insurance, Inc. Senior Secured Notes (2015 Series),” “—eTeleQuote Insurance, Inc. Senior Secured Notes (2016 Series)” and “—eTeleQuote Insurance, Inc. Senior Secured Notes (2017 Series).”

*Etelequote Limited Convertible Notes*

Pursuant to the Convertible Loan Facility, our subsidiary Etelequote PLC incurred debt of \$26.8 million (including accrued and unpaid interest) pursuant to several consecutive tranches of ETQ Convertible Notes issued to TRGI from November 1, 2013 through March 31, 2017 at an interest rate of 15.0% per annum and maturity upon demand by TRGI. On June 28, 2017, New ETQ Holdco assumed the obligations of Etelequote PLC under this indebtedness. As of June 30, 2017, the aggregate amount outstanding under the ETQ Convertible Notes (including accrued and unpaid interest), before giving effect to the cancellation of a portion of the indebtedness under the ETQ Convertible Notes and issuance of the ETQ Preferred Shares described in the next paragraph, was \$26.8 million.

On June 30, 2017, TRGI and New ETQ Holdco entered into a Deed of Release whereby TRGI cancelled \$20.0 million of the indebtedness owed by New ETQ Holdco to TRGI pursuant to the Convertible Loan Facility, leaving a total of \$6.8 million of indebtedness owed by New ETQ Holdco to TRGI under the Convertible Loan Facility at that date. On the same date, in consideration of TRGI’s entering into the Deed of Release, New ETQ Holdco issued the ETQ Preferred Shares to a consortium of private investors. As of June 30, 2017, all of the ETQ Preferred Shares remained outstanding.

For additional information regarding the Convertible Loan Facility and the ETQ Preferred Shares, see “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Financing Arrangements—Customer Acquisition— Etelequote Limited Convertible Notes” and “—Etelequote Limited Non-Convertible Senior Preferred Shares.”

***Stockholder’s Agreement***

We are party to a Stockholders’ Agreement with TRGI dated as of September 15, 2017. The agreement requires that we obtain TRGI’s prior written consent before we or our subsidiaries take or commit to take certain material actions, including, among others:

- acquisition of the stock or assets of an unaffiliated entity in a single transaction or a series of related transactions with an enterprise value greater than \$2.0 million;
- consolidation, merger, amalgamation or other business combination with any entity other than us or a wholly-owned subsidiary of ours, or a “Change in Control” (as defined in our debt instruments);
- disposition or transfer, in a single transaction or a series of related transactions, to another party of us or any of our subsidiaries’ assets with a value greater than \$2.0 million in the aggregate or for consideration greater than \$2.0 million, other than in the ordinary course of business;
- entry into any corporate strategic relationship involving the payment, contribution or assignment by us or any of our subsidiaries of money or assets greater than \$1.0 million;

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- creation of any new class of equity securities, issuance of additional shares of any class of equity securities, or any offering of securities (except for awards under stockholder-approved equity plans and issuances to our parent company or any of its subsidiaries);
- incurrence, assumption or guarantee of indebtedness by us to any third party;
- incurrence, assumption or guarantee of incremental indebtedness (as measured from indebtedness existing on September 15, 2017) by us, in a single transaction or a series of related transactions, in an amount greater than \$5.0 million;
- transfer of any 2017 ETQ Note by any holder thereof or any amendment to the 2017 ETQ Notes or the related note purchase agreement;
- repurchase of our equity securities or adoption of any share repurchase plan;
- capital expenditures in an aggregate amount greater than \$10.0 million in any fiscal year;
- listing of any securities on any securities exchange;
- appointment and / or removal of independent auditors or any material change in our accounting policies and principles or internal control procedures;
- bankruptcy, liquidation, dissolution, winding up or similar event or action;
- any change of our principal lines of business, entry into new lines of business, or exit from the current lines of business;
- amendment, modification or repeal of any provision of our or our subsidiaries' organizational documents; and
- commencement or settlement of any material litigation.

The Stockholder's Agreement further provides that, to the fullest extent permitted by law and subject to section 97 of the Bermuda Companies Act and our Bye-laws:

- TRGI and its partners, principals, directors, officers, members, managers, agents, employees and / or other representatives may directly or indirectly engage in the same or similar business activities or lines of business as us or any of our subsidiaries, including those lines of business deemed to be competing with us or any of our subsidiaries;
- TRGI, its affiliates and their respective partners, principals, directors, officers, members, managers, agents, employees and / or other representatives may do business with any of our potential or actual customers or suppliers;
- TRGI, its affiliates and their respective partners, principals, directors, officers, members, managers, agents, employees and / or other representatives may employ or otherwise engage any of our officers or employees; and
- none of TRGI, its affiliates or their respective partners, principals, directors, officers, members, managers, agents, employees and / or other representatives shall have any duty to communicate or offer any business opportunity that may be presented to TRGI or those other persons to us or shall be liable to us or any of our stockholders for breach of any fiduciary or other duty by reason of the fact that TRGI or such persons pursues that business opportunity, directs that business opportunity to another person or fails to present that business opportunity, or information regarding that business opportunity to us unless, in the case of any such person who is a director or officer of ours, that business opportunity is expressly offered to that director or officer in writing solely in his or her capacity as our director or officer.

In addition, the Stockholder's Agreement allows TRGI to disclose non-public information concerning us to existing and potential investors in TRGI or its affiliates, potential transferees of TRGI's equity interest in our parent company, potential participants in future transactions involving TRGI or its affiliates and other parties that TRGI deems reasonably necessary in connection with the conduct of its TRGI's investment and business activities, subject to any such recipient agreeing to keep that information confidential. The Stockholder's Agreement remains in effect until TRGI ceases to own 10% or more of all shares issued by us (determined on an as-converted basis).

**Registration Rights Agreement**

On September 15, 2017, we have entered into a registration rights agreement whereby we grant certain registration rights to TRGI, including the right, under certain circumstances and subject to certain restrictions, to require us to register under the Securities Act our common shares held by them. In addition, we have committed to file as promptly as possible after receiving a request from TRGI a shelf registration statement registering secondary sales of our common shares held by TRGI. TRGI also has the ability to exercise certain piggyback registration rights in respect of common shares held by it in connection with registered offerings requested by other holders of registration rights or initiated by us.

**Limitations of Liability and Indemnification Matters**

We intend to enter into indemnification agreements with each of our current directors and executive officers. These agreements will require us to indemnify these individuals to the fullest extent permitted under Bermuda law against liabilities that may arise by reason of their service to us, and to advance expenses incurred as a result of any proceeding against them as to which they could be indemnified. We also intend to enter into indemnification agreements with our future directors and executive officers.

We entered into an indemnification agreement with Mr. Solazzo dated as of June 30, 2017 under which we have agreed to indemnify him for specified tax liabilities arising from the exchange of his equity interest in Etelequote PLC for 533,818 of our common shares. The indemnification obligation is capped at \$2.0 million, exclusive of certain reasonable expenses that Mr. Solazzo may incur in connection with defending against any tax liability or any indemnifiable interest, fines, or penalties imposed on Mr. Solazzo.

**Policies and Procedures With Respect to Related Party Transactions**

Upon the closing of this offering, we intend to adopt policies and procedures whereby our Audit Committee will be responsible for reviewing and approving related party transactions. In addition, our Code of Ethics will require that all of our employees and directors inform the Company of any material transaction or relationship that comes to their attention that could reasonably be expected to create a conflict of interest, subject to the provisions of the Stockholder's Agreement (as described above). Further, at least annually, each director and executive officer will complete a detailed questionnaire that asks questions about any business relationship that may give rise to a conflict of interest and all transactions in which we are involved and in which the executive officer, a director or a related person has a direct or indirect material interest.

**Licensing and Sublicensing Agreements**

*License of Clearview Software*

iSky, Inc. and TRG Holdings LLC are party to a license agreement dated as of July 1, 2014 under which TRG Holdings has purchased 900 access licenses to iSky's Clearview software for a fee of \$1.8 million.

*Sublicense of Microsoft Licenses*

TRGI, TRG Customer Solutions, Inc. and IBEX Global Solutions Ltd. are parties to an Intellectual Property Sublicensing Agreement dated as of July 1, 2014, under which TRG Customer Solutions, Inc. has sublicensed to TRGI certain Microsoft licenses for a total payment of \$5,492,798, which has been fully paid.

*Software Services Agreement with Afiniti*

Pursuant to a Standard Terms and Conditions agreement and Commercial Schedule, each dated November 14, 2017, between our subsidiary TRG Customer Solutions, Inc. dba IBEX Global Solutions and SATMAP Incorporated dba Afiniti, Inc., Afiniti Inc. may provide certain intelligent call routing services to IBEX Global Solutions in exchange for a fee equal to \$1,800 per supported call center seat per year for up to 2,000 call center seats. Under these agreements, IBEX Global Solutions has a prepayment credit with Afiniti Inc. equal to \$1.1 million as of November 14, 2017.

**Contribution of Intellectual Property**

On October 19, 2017, The Resource Group International Limited assigned to us all right and title in certain call center software as a contribution to our surplus capital.

**Services Agreements**

Pursuant to a Service Agreement dated January 1, 2012 between our subsidiary iSky, Inc. ("iSky") and its affiliate BPO Solutions, Inc., BPO Solutions, Inc. has made available to iSky specified offshore support services, including accounting, IT, call center and general back office support services, which are billed on a cost-plus basis. During the years ended June 30, 2016 and June 30, 2017, the amounts invoiced by BPO Solutions to iSky under this agreement were \$2.1 million and \$1.9 million, respectively.

Pursuant to a Service Agreement dated April 1, 2013 between our subsidiary TRG Customer Solutions, Inc. and its affiliate TRG Holdings LLC, TRG Customer Solutions, Inc. provides specified IT support services to TRG Holdings LLC, which are billed on a cost-plus basis. During the year ended June 30, 2017, the amount invoiced by TRG Customer Solutions to TRG Holdings under this agreement was \$71,363.

Pursuant to a Service Agreement dated April 1, 2013 between our subsidiary TRG Customer Solutions, Inc. and its affiliate TRG Holdings LLC, TRG Customer Solutions (Canada), Inc. agreed to employ certain TRG Holdings LLC personnel, for which TRG Customer Solutions (Canada), Inc. bills TRG Holdings on a cost-plus basis. During the year ended June 30, 2017, the amount invoiced by TRG Customer Solutions (Canada), Inc. to TRG Holdings under this agreement was \$85,264.

Pursuant to a Services Agreement dated May 1, 2014 between our subsidiary TRG Customer Solutions, Inc. and its affiliate SATMAP Incorporated dba Afiniti, Inc., TRG Customer Solutions, Inc. agreed to provide information technology services to Afiniti, Inc. which are billed at a cost-plus basis. During the year ended June 30, 2017, the amount invoiced by TRG Customer Solutions, Inc. to Afiniti, Inc. under this agreement was \$0.1 million.

Pursuant to a Services Agreement dated January 1, 2016 between our subsidiary TRG Customer Solutions, Inc. and TRG Marketing Services, Inc., TRG Customer Solutions, Inc. agreed to provide call center services to support TRG Marketing Services, Inc., which were billed at a fee equal to twice the actual payroll costs. The agreement is no longer active and there is a legacy balance of less than \$20,000 as of June 30, 2017 owing from TRG Marketing Services, Inc. to TRG Customer Solutions, Inc.

Pursuant to a Services Agreement dated January 1, 2015 between our subsidiary Virtual World (Private) Limited and TRG (Private) Limited, TRG (Private) Limited agreed to make available to certain overflow call center space and back office personnel to Virtual World (Private) Limited. The overflow call center space was billed at a fee equal to \$100 per call center seat per month plus direct costs, and the back office personnel were billed at actual payroll cost. The agreement is no longer active and there is a legacy balance of \$0.3 million as of June 30, 2017 owing from Virtual World (Private) Limited to TRG (Private) Limited.

***Sublease of Office Space***

Pursuant to an agreement dated October 1, 2017, TRG Customer Solutions, Inc. and iSky, Inc. have agreed to sublease office space in Washington, D.C. leased by TRG Holdings, LLC. The lease amount payable under this sublease is \$24,172 per month.

Pursuant to an agreement dated June 1, 2017, between our subsidiary, IBEX Global Solutions (Private) Limited and TRG (Private) Limited, TRG (Private) Limited agreed to lease certain office space in Pakistan to IBEX Global Solutions (Private) Limited. The lease amount payable under this agreement is approximately \$1,400 per month.

***Participation in Health and Welfare Plans***

Our subsidiary TRG Customer Solutions, Inc. and its affiliate TRG Holdings LLC are parties to a Third Party Services Agreement dated April 1, 2013 whereby employees of TRG Holdings LLC and its affiliates are permitted to participate in the health, dental, and life insurance plans offered by TRG Customer Solutions, Inc. to its employees. TRG Holdings LLC is obligated to indemnify TRG Customer Solutions, Inc. for any claims arising out of the participation in such plans by employees of TRG Holdings and its affiliates.

Pursuant to a Third Party Services Agreement dated May 1, 2014 between TRG Customer Solutions, Inc., SATMAP Incorporated, and TRG Holdings LLC, TRG Customer Solutions, Inc. directly permits SATMAP Incorporated to participate in the health, dental, and life insurance plans offered by TRG Customer Solutions, Inc. to its employees. SATMAP Incorporated is obligated to indemnify TRG Customer Solutions, Inc. for any claims arising out of the participation in such plans by employees of SATMAP Incorporated.

## DESCRIPTION OF SHARE CAPITAL

*The following description of our share capital summarizes certain provisions of our amended memorandum of association and our amended and restated bye-laws that will become effective as of the closing of this offering. Such summaries do not purport to be complete and are subject to, and are qualified in their entirety by reference to, all of the provisions of our amended memorandum of association and amended and restated bye-laws, copies of which have been filed as exhibits to the registration statement of which this prospectus forms a part. We refer in this section to our amended memorandum of association and amended and restated bye-laws that we intend to adopt in connection with this offering as our memorandum of association and bye-laws, respectively. Prospective investors are urged to read the exhibits for a complete understanding of our memorandum of association and bye-laws.*

### General

We are an exempted company incorporated under the laws of Bermuda. We are registered with the Registrar of Companies in Bermuda under registration number 52347. We were incorporated on February 28, 2017 under the name Forward March Limited and changed our name to IBEX Holdings Limited on September 15, 2017. Our registered office is located at Crawford House, 50 Cedar Avenue, Hamilton HM11, Bermuda.

The objects of our business are unrestricted, and the company has the capacity of a natural person. We can therefore undertake activities without restriction on our capacity.

Prior to the closing of this offering, our shareholders will approve certain amendments to our bye-laws which will become effective upon closing of this offering. The following description assumes that such amendments have become effective.

Since our incorporation, there have been no material changes to our share capital, mergers, amalgamations or consolidations of us or any of our subsidiaries, no material changes in the mode of conducting our business, no material changes in the types of products produced or services rendered. Since our incorporation, we have redesignated certain of our authorized common share capital as preference shares.

There has been no bankruptcy, receivership or similar proceedings with respect to us or our subsidiaries.

There has been no public takeover offers by third parties for our shares nor any public takeover offers by us for the shares of another company which have occurred during the last or current financial years.

We intend to apply to list our common shares on Nasdaq under the symbol "IBEX."

Initial settlement of our common shares will take place on the closing date of this offering through The Depository Trust Company, or DTC, in accordance with its customary settlement procedures for equity securities registered through DTC's book-entry transfer system. Each person beneficially owning common shares registered through DTC must rely on the procedures thereof and on institutions that have accounts therewith to exercise any rights of a holder of the common shares.

### Share Capital

Upon completion of this offering, and after giving effect to the automatic conversion of our preference shares into an aggregate of 4,749,861 common shares upon the closing of this offering, there will be common shares, par value \$0.0001 per share, issued and outstanding, excluding common shares issuable upon exercise of options granted as of . All of our issued and outstanding common shares prior to completion of this offering are and will be fully paid.

Pursuant to our bye-laws, subject to the requirements of any stock exchange on which our shares are listed and to any resolution of the shareholders to the contrary, our board of directors is authorized to issue any of our authorized but unissued shares. There are no limitations on the right of non-Bermudians or non-residents of Bermuda to hold or vote our shares.

#### **Common Shares**

As of June 30, 2017, we had outstanding 7,750,141 common shares, excluding the automatic conversion of 4,749,861 preferred shares held by TRGI into an equivalent number of our common shares, the conversion of which will occur upon completion of this offering, which were held of record by three shareholders.

Holders of common shares have no pre-emptive, redemption or conversion rights. Holders of common shares are entitled to one vote per share on all matters submitted to a vote of holders of common shares. Unless a different majority is required by law or by our bye-laws, resolutions to be approved by holders of common shares require approval by a simple majority of votes cast at a meeting at which a quorum is present.

In the event of our liquidation, dissolution or winding up, the holders of common shares are entitled to share equally and ratably in our assets, if any, remaining after the payment of all of our debts and liabilities, subject to any liquidation preference on any issued and outstanding preference shares.

#### **Preference Shares**

Pursuant to Bermuda law and our bye-laws, our board of directors may, by resolution, establish one or more series of preference shares having such number of shares, designations, dividend rates, relative voting rights, conversion or exchange rights, redemption rights, liquidation rights and other relative participation, optional or other special rights, qualifications, limitations or restrictions as may be fixed by the board of directors without any further shareholder approval. Such rights, preferences, powers and limitations, as may be established, could have the effect of discouraging an attempt to obtain control of the company. By unanimous written resolution of the board of directors and by resolution of TRGI in its capacity as sole shareholder, effective June 20, 2017, the company created 4,749,861 preference shares by redesignating the same number of its authorized common shares, such preference shares having the rights and subject to the restrictions set out in a certificate of designation. The certificate of designation was amended on October 6, 2017.

#### **Options**

##### *IBEX 2013 Stock Plan*

As of June 30, 2017, there were 1,760,892 of stock options outstanding under the Pre-AIM Plan. As of June 30, 2017, there were 3,200,427 of stock options outstanding under the Post-AIM Plan.

##### *Phantom Stock Plans*

As of June 30, 2017, there were 875,625 phantom stock options outstanding under the Phantom Stock Plans, none of which were exercisable.

##### *DGS 2017 Stock Plan*

As of June 30, 2017, there were 1,131,730 stock options outstanding under the DGSL 2017 Stock Plan, 737,308 of which were exercisable.



### **Warrants**

On November 13, 2017, we issued to Amazon.com NV Investment Holdings LLC, a subsidiary of Amazon.com, Inc. ("Amazon"), a 10-year warrant to acquire 1,611,944 common shares of our company, representing 10% of our equity on a fully diluted and as-converted basis as of the date of issuance of the warrant. The warrant is exercisable, either for cash or on a net issuance basis, at a price per share equal to the initial public offering per share in this offering.

The common shares subject to the warrant vest on an incremental basis upon the satisfaction of specified milestones that are tied to payments made by Amazon in connection with the purchase of services from us during a seven and a half year period ending on June 30, 2024, and the warrant will become fully vested when a cumulative total of \$600 million is paid by Amazon to us during this period. The vesting is partially accelerated in the event of a reorganization transaction (as defined in the warrant).

The exercise price and the number of common shares issuable upon exercise of the warrant are subject to customary anti-dilution adjustments.

Amazon is entitled to customary shelf and piggy-back registration rights with respect to the common shares issued upon exercise of the warrant. Amazon may not transfer the warrant except to a wholly-owned subsidiary of Amazon.

### **Dividend Rights**

Under Bermuda law, a company may not declare or pay dividends or make a distribution out of contributed surplus if there are reasonable grounds for believing that: (i) the company is, or would after the payment be, unable to pay its liabilities as they become due; or (ii) that the realizable value of its assets would thereby be less than its liabilities. Under our bye-laws, each common share is entitled to dividends if, as and when dividends are declared by our board of directors, subject to any preferred dividend right of the holders of any preference shares. Any cash dividends payable to holders of our common shares listed on the will be paid to , our paying agent in the U.S. for disbursement to those holders.

### **Variation of Rights**

If at any time we have more than one class of shares, the rights attaching to any class, unless otherwise provided for by the terms of issue of the relevant class, may be varied in accordance with our bye-laws either: (i) with the consent in writing of the holders of 50% of the issued shares of that class; or (ii) with the sanction of a resolution passed by a majority of the votes cast at a general meeting of the relevant class of shareholders at which a quorum consisting of at least one person holding or representing 25% of the issued shares of the relevant class is present. Our bye-laws specify that the creation or issue of shares ranking equally with existing shares will not, unless expressly provided by the terms of issue of existing shares, vary the rights attached to existing shares. In addition, the creation or issue of preference shares ranking prior to common shares will not be deemed to vary the rights attached to common shares or, subject to the terms of any other class or series of preference shares, to vary the rights attached to any other class or series of preference shares.

### **Transfer of Shares**

Our board of directors may, in its absolute discretion and without assigning any reason, refuse to register the transfer of a share that it is not fully paid. Our board of directors may also refuse to recognize an instrument of transfer of a share unless it is accompanied by the relevant share certificate and such other evidence of the transferor's right to make the transfer as our board of directors shall reasonably require. Subject to these restrictions, a holder of common shares may transfer the title to all or any of his common shares by completing a form of transfer in the form set out in our bye-laws (or as near thereto as circumstances admit) or in such other common form as our board of directors may accept. The instrument of transfer must be signed by the transferor and transferee, although in the case of a fully paid share our board of directors may accept the instrument signed only by the transferor.

Where our shares are listed or admitted to trading on any appointed stock exchange, such as Nasdaq, they will be transferred in accordance with the rules and regulations of such exchange.

#### **Meetings of Shareholders**

Under Bermuda law, a company is required to convene at least one general meeting of shareholders each calendar year, or the annual general meeting. However, the shareholders may by resolution waive this requirement, either for a specific year or period of time, or indefinitely. When the requirement has been so waived, any shareholder may, on notice to the company, terminate the waiver, in which case an annual general meeting must be called. We have chosen not to waive the convening of an annual general meeting.

Bermuda law provides that a special general meeting of shareholders may be called by the board of directors of a company and must be called upon the request of shareholders holding not less than 10% of the paid-up capital of the company carrying the right to vote at general meetings. Bermuda law also requires that shareholders be given at least five days' advance notice of a general meeting, but the accidental omission to give notice to any person does not invalidate the proceedings at a meeting. Our bye-laws provide that our board of directors may convene an annual general meeting and the chairman or a majority of our directors then in office may convene a special general meeting. Under our bye-laws, at least five days' notice of an annual general meeting or a special general meeting must be given to each shareholder entitled to vote at such meeting. This notice requirement is subject to the ability to hold such meetings on shorter notice if such notice is agreed: (i) in the case of an annual general meeting by all of the shareholders entitled to attend and vote at such meeting; or (ii) in the case of a special general meeting by a majority in number of the shareholders entitled to attend and vote at the meeting holding not less than 95% in nominal value of the shares entitled to vote at such meeting.

Subject to the rules of Nasdaq, our bye-laws provide that the quorum required for a general meeting of shareholders is one or more persons present in person at the start of the meeting and representing in person or by proxy in excess of 25% of all issued and outstanding common shares.

#### **Access to Books and Records and Dissemination of Information**

Members of the general public have a right to inspect the public documents of a company available at the office of the Registrar of Companies in Bermuda. These documents include the company's memorandum of association, including its objects and powers, and certain alterations to the memorandum of association. The shareholders have the additional right to inspect the bye-laws of the company, minutes of general meetings and the company's audited financial statements, which must be presented in the annual general meeting. The register of members of a company is also open to inspection by shareholders and by members of the general public without charge. The register of members is required to be open for inspection for not less than two hours in any business day (subject to the ability of a company to close the register of members for not more than thirty days in a year). A company is required to maintain its share register in Bermuda but may, subject to the provisions of the Companies Act 1981, as amended, or the Companies Act, establish a branch register outside of Bermuda. A company is required to keep at its registered office a register of directors and officers that is open for inspection for not less than two hours in any business day by members of the public without charge. Bermuda law does not, however, provide a general right for shareholders to inspect or obtain copies of any other corporate records.

#### **Election and Removal of Directors**

Our bye-laws provide that our board of directors shall consist of ten directors or such greater number as we may determine.

Our bye-laws provide that any shareholder holding 50% or more of the nominal value of our voting shares will have the right to appoint five directors to our board of directors. If there is no such 50% holder, then any shareholder holding 25% or more of the nominal value of our voting shares (first in time as compared to any other 25% shareholder) will have the right to appoint five directors to our board of directors.

Any director not appointed by a 25% or more shareholder as described above may be removed by the shareholders provided notice of the shareholders meeting convened to remove the director is given to the director. The notice must contain a statement of the intention to remove the director and a summary of the facts justifying the removal and must be served on the director not less than 14 days before the meeting. The director is entitled to attend the meeting and be heard on the motion for his removal.

Bermuda law requires that the Company shall file with the Bermuda Registrar of Companies a list of its directors and must notify the Registrar of any changes in such directors within 30 days of the date of the change.

#### **Proceedings of Board of Directors**

Our bye-laws provide that our business is to be managed and conducted by our board of directors. Bermuda law permits individual and corporate directors and there is no requirement in our bye-laws or Bermuda law that directors hold any of our shares. There is also no requirement in our bye-laws or Bermuda law that our directors must retire at a certain age. Decisions taken by the board are decided by a simple majority of votes.

The compensation of our directors is determined by the board of directors, and there is no requirement that a specified number or percentage of "independent" directors must approve any such determination. Our directors may also be paid all travel, hotel and other reasonable out-of-pocket expenses properly incurred by them in connection with our business or their duties as directors.

Our bye-laws provide that a director who discloses a direct or indirect interest in any contract or arrangement with us as required by Bermuda law is entitled to vote in respect of any such contract or arrangement in which he or she is interested unless disqualified from voting by the chairman of the relevant meeting of the board of directors.

#### **Indemnification of Directors and Officers**

Section 98 of the Companies Act provides generally that a Bermuda company may indemnify its directors, officers and auditors against any liability which by virtue of any rule of law would otherwise be imposed on them in respect of any negligence, default, breach of duty or breach of trust, except in cases where such liability arises from fraud or dishonesty of which such director, officer or auditor may be guilty in relation to the company. Section 98 further provides that a Bermuda company may indemnify its directors, officers and auditors against any liability incurred by them in defending any proceedings, whether civil or criminal, in which judgment is awarded in their favor or in which they are acquitted or granted relief by the Supreme Court of Bermuda pursuant to section 281 of the Companies Act.

Our bye-laws provide that we shall indemnify our officers and directors in respect of their actions and omissions, except in respect of their fraud or dishonesty, and that we shall advance funds to our officers and directors for expenses incurred in their defense upon receipt of an undertaking to repay the funds if any allegation of fraud or dishonesty is proved. Our bye-laws provide that the shareholders waive all claims or rights of action that they might have, individually or in right of the company, against any of the company's directors or officers for any act or failure to act in the performance of such director's or officer's duties, except in respect of any fraud or dishonesty of such director or officer. Section 98A of the Companies Act permits us to purchase and maintain insurance for the benefit of any officer or director in respect of any loss or liability attaching to him in respect of any negligence, default, breach of duty or breach of trust, whether or not we may otherwise indemnify such officer or director. We have purchased and maintain a directors' and officers' liability policy for such purpose.

#### **Amendment of Memorandum of Association and Bye-laws**

Bermuda law provides that the memorandum of association of a company may be amended by a resolution passed at a general meeting of shareholders. The Companies Act and our bye-laws provide that no bye-law shall be rescinded, altered or amended, and no new bye-law shall be made, unless it shall have been approved by a resolution of our board of directors and by a resolution of our shareholders.

Under Bermuda law, the holders of an aggregate of not less than 20% in par value of a company's issued share capital or any class thereof have the right to apply to the Supreme Court of Bermuda for an annulment of any amendment of the memorandum of association adopted by shareholders at any general meeting, other than an amendment that alters or reduces a company's share capital as provided in the Companies Act. Where such an application is made, the amendment becomes effective only to the extent that it is confirmed by the Supreme Court of Bermuda. An application for an annulment of an amendment of the memorandum of association must be made within 21 days after the date on which the resolution altering the company's memorandum of association is passed and may be made on behalf of persons entitled to make the application by one or more of their number as they may appoint in writing for the purpose. No application may be made by shareholders voting in favor of the amendment.

Any amendment to our bye-laws require the approval of the board and a member resolution passed by 75% of those members attending and entitled to vote.

#### **Amalgamations, Mergers and Business Combinations**

The amalgamation or merger of a Bermuda company with another company or corporation (other than certain affiliated companies) requires the amalgamation or merger agreement to be approved by the company's board of directors and by its shareholders.

Under Bermuda law and pursuant to our bye-laws, approval of 50% of the shareholders voting by written resolution or at a shareholder meeting is required to approve the amalgamation or merger agreement, and the quorum for such meeting must be one or more persons holding or representing more than 25% of the issued shares of the company.

Under Bermuda law, in the event of an amalgamation or merger of a Bermuda company with another company or corporation, a shareholder of the Bermuda company who did not vote in favor of the amalgamation or merger and who is not satisfied that fair value has been offered for such shareholder's shares may, within one month of notice of the shareholders meeting, apply to the Supreme Court of Bermuda to appraise the fair value of those shares.

#### **Shareholder Suits**

Class actions and derivative actions are generally not available to shareholders under Bermuda law. The Bermuda courts, however, would ordinarily be expected to permit a shareholder to commence an action in the name of a company to remedy a wrong to the company where the act complained of is alleged to be beyond the corporate power of the company or illegal, or would result in the violation of the company's memorandum of association or bye-laws. Furthermore, consideration would be given by a Bermuda court to acts that are alleged to constitute a fraud against the minority shareholders or, for instance, where an act requires the approval of a greater percentage of the company's shareholders than that which actually approved it.

When the affairs of a company are being conducted in a manner that is oppressive or prejudicial to the interests of some part of the shareholders, one or more shareholders may apply to the Supreme Court of Bermuda, which may make such order as it sees fit, including an order regulating the conduct of the company's affairs in the future or ordering the purchase of the shares of any shareholders by other shareholders or by the company.

Our bye-laws contain a provision by virtue of which our shareholders waive any claim or right of action that they have, both individually and on our behalf, against any director or officer in relation to any action or failure to take action by such director or officer, except in respect of any fraud or dishonesty of such director or officer. Waivers of compliance with any provision of the Securities Act or Exchange Act are void under the terms of such acts. Accordingly, the operation of this bye-law provision as a waiver of the right to sue for violations of the U.S. federal securities laws would likely be unenforceable in U.S. courts.

### **Capitalization of Profits and Reserves**

Pursuant to our bye-laws, our board of directors may (i) capitalize any part of the amount of our share premium or other reserve accounts or any amount credited to our profit and loss account or otherwise available for distribution by applying such sum in paying up unissued shares to be allotted as fully paid bonus shares pro rata (except in connection with the conversion of shares) to the shareholders; or (ii) capitalize any sum standing to the credit of a reserve account or sums otherwise available for dividend or distribution by paying up in full, partly paid or nil paid shares of those shareholders who would have been entitled to such sums if they were distributed by way of dividend or distribution.

### **Registrar or Transfer Agent**

A register of holders of the common shares will be maintained by Compass Administration Services Ltd. In Bermuda, and a branch register will be maintained in the U.S. by \_\_\_\_\_, which will serve as branch registrar and transfer agent.

### **Untraced Shareholders**

Our bye-laws provide that our board of directors may forfeit any dividend or other monies payable in respect of any shares that remain unclaimed for six years from the date when such monies became due for payment. In addition, we are entitled to cease sending dividend warrants and checks by post or otherwise to a shareholder if such instruments have been returned undelivered to, or left uncashed by, such shareholder on at least two consecutive occasions or, following one such occasion, reasonable enquires have failed to establish the shareholder's new address. This entitlement ceases if the shareholder claims a dividend or cashes a dividend check or a warrant.

### **Certain Provisions of Bermuda Law**

We have been designated by the BMA as a non-resident for Bermuda exchange control purposes. This designation allows us to engage in transactions in currencies other than the Bermuda dollar, and there are no restrictions on our ability to transfer funds (other than funds denominated in Bermuda dollars) in and out of Bermuda or to pay dividends to U.S. residents who are holders of our common shares.

The BMA has pursuant to its statement of June 1, 2005 given its general permission under the Bermuda Exchange Control Act 1972 (and its related regulations) for the issue and transfer of our common shares to and between non-residents of Bermuda for exchange control purposes, provided our common shares are listed on the Nasdaq Global Market, or any other appointed stock exchange. This general permission would cease to apply if our common shares were to cease to be so listed and in such event specific permission would be required from the BMA for all issues and transfers of our common shares subject to certain exceptions set out in the BMA statement of June 1, 2005.

Accordingly, in giving such consent or permissions, neither the BMA nor the Registrar of Companies in Bermuda shall be liable for the financial soundness, performance or default of our business or for the correctness of any opinions or statements expressed in this prospectus. Certain issues and transfers of common shares involving persons deemed resident in Bermuda for exchange control purposes require the specific consent of the BMA.

In accordance with Bermuda law, share certificates are only issued in the names of companies, partnerships or individuals. In the case of a shareholder acting in a special capacity (for example as a trustee), certificates may, at the request of the shareholder, record the capacity in which the shareholder is acting. Notwithstanding such recording of any special capacity, we are not bound to investigate or see to the execution of any such trust.

## BERMUDA COMPANY CONSIDERATIONS

Our corporate affairs are governed by our memorandum of association and bye-laws and by the corporate law of Bermuda. The provisions of the Companies Act 1981, as amended, or the Companies Act, which applies to us, differ in certain material respects from laws generally applicable to U.S. companies incorporated in the State of Delaware and their stockholders. The following is a summary of significant differences between the Companies Act (including modifications adopted pursuant to our amended and restated bye-laws that will become effective as of the closing of this offering, as described under "Description of Share Capital" above) and Bermuda common law applicable to us and our shareholders and the provisions of the Delaware General Corporation Law applicable to U.S. companies organized under the laws of Delaware and their stockholders.

Bermuda	Delaware
<b>Shareholder meetings</b>	
<ul style="list-style-type: none"><li>• May be called by President or the Chairman, any two directors, any director and the company secretary or the board of directors and must be called upon the request of shareholders holding not less than 10% of the paid-up capital of the company carrying the right to vote at general meetings.</li></ul>	<ul style="list-style-type: none"><li>• May be held at such time or place as designated in the certificate of incorporation or the bylaws, or if not so designated, as determined by the board of directors.</li></ul>
<ul style="list-style-type: none"><li>• May be held in or outside Bermuda.</li></ul>	<ul style="list-style-type: none"><li>• May be held in or outside of Delaware.</li></ul>
<ul style="list-style-type: none"><li>• Notice:<ul style="list-style-type: none"><li>• Shareholders must be given at least five days' advance notice of a general meeting, but the unintentional failure to give notice to any person does not invalidate the proceedings at a meeting.</li><li>• Notice of general meetings must specify the place, the day and hour of the meeting and in the case of special general meetings, the general nature of the business to be considered.</li></ul></li></ul>	<ul style="list-style-type: none"><li>• Notice:<ul style="list-style-type: none"><li>• Written notice shall be given not less than 10 nor more than 60 days before the meeting.</li><li>• Whenever stockholders are required to take any action at a meeting, a written notice of the meeting shall be given which shall state the place, if any, date and hour of the meeting, and the means of remote communication, if any.</li></ul></li></ul>
<b>Shareholder's voting rights</b>	
<ul style="list-style-type: none"><li>• Shareholders may act by written resolution to elect directors. Shareholders may not act by written resolution to remove a director or auditor, except that a director appointed by a 25% or more shareholder may be removed by that shareholder by notice in writing to the company.</li></ul>	<ul style="list-style-type: none"><li>• With limited exceptions, stockholders may act by written consent to elect directors.</li></ul>
<ul style="list-style-type: none"><li>• Generally, except as otherwise provided in the Companies Act, any action or resolution requiring approval of the shareholders may be passed by a simple majority of votes cast. Any person authorized to vote may authorize another person or persons to act for him or her by proxy.</li></ul>	<ul style="list-style-type: none"><li>• Any person authorized to vote may authorize another person or persons to act for him or her by proxy.</li></ul>

Bermuda	Delaware
<ul style="list-style-type: none"> <li>The voting rights of shareholders are regulated by the company's bye-laws and, in certain circumstances, by the Companies Act. Our bye-laws specify that one or more shareholders present in person or by proxy representing in excess of 25% of the total shares in the company entitled to vote at such general meeting shall form a quorum.</li> </ul>	<ul style="list-style-type: none"> <li>For stock corporations, the certificate of incorporation or bylaws may specify the number to constitute a quorum, but in no event shall a quorum consist of less than one-third of shares entitled to vote at a meeting. In the absence of such specifications, a majority of shares entitled to vote shall constitute a quorum.</li> </ul>
<ul style="list-style-type: none"> <li>Our bye-laws provide that when a quorum is once present in general meeting it is not broken by the subsequent withdrawal of any shareholders.</li> </ul>	<ul style="list-style-type: none"> <li>When a quorum is once present to organize a meeting, it is not broken by the subsequent withdrawal of any stockholders.</li> </ul>
<ul style="list-style-type: none"> <li>The bye-laws may provide for cumulative voting, although our bye-laws do not.</li> </ul>	<ul style="list-style-type: none"> <li>The certificate of incorporation may provide for cumulative voting.</li> </ul>
<ul style="list-style-type: none"> <li>The amalgamation or merger of a Bermuda company with another company or corporation (other than certain affiliated companies) requires the amalgamation or merger agreement to be approved by the company's board of directors and by its shareholders. The approval of 50% of the shareholders signing a written resolution or voting at a shareholder meeting is required to approve the amalgamation or merger agreement, and the quorum for such meeting must be one or more persons holding or representing more than 25% of the issued shares of the company.</li> </ul>	<ul style="list-style-type: none"> <li>Any two or more corporations existing under the laws of the state may merge into a single corporation pursuant to a board resolution and upon the majority vote by stockholders of each constituent corporation at an annual or special meeting.</li> </ul>
<ul style="list-style-type: none"> <li>Every company may when authorized by a resolution of the board of directors sell, lease or exchange all or substantially all of its property and assets as its board of directors deems in the best interests of the company.</li> </ul>	<ul style="list-style-type: none"> <li>Every corporation may at any meeting of the board sell, lease or exchange all or substantially all of its property and assets as its board deems expedient and for the best interests of the corporation when so authorized by a resolution adopted by the holders of a majority of the outstanding stock of a corporation entitled to vote.</li> </ul>
<ul style="list-style-type: none"> <li>Any company which is the wholly-owned subsidiary of a holding company, or one or more companies which are wholly-owned subsidiaries of the same holding company, may amalgamate or merge without the vote or consent of shareholders provided that the approval of the board of directors is obtained and that a director or officer of each such company signs a statutory solvency declaration in respect of the relevant company.</li> </ul>	<ul style="list-style-type: none"> <li>Any corporation owning at least 90% of the outstanding shares of each class of another corporation may merge the other corporation into itself and assume all of its obligations without the vote or consent of stockholders; however, in case the parent corporation is not the surviving corporation, the proposed merger shall be approved by a majority of the outstanding stock of the parent corporation entitled to vote at a duly called stockholder meeting.</li> </ul>
<ul style="list-style-type: none"> <li>Any mortgage, charge or pledge of a company's property and assets may be authorized without the consent of shareholders subject to any restrictions under the bye-laws.</li> </ul>	<ul style="list-style-type: none"> <li>Any mortgage or pledge of a corporation's property and assets may be authorized without the vote or consent of stockholders, except to the extent that the certificate of incorporation otherwise provides.</li> </ul>

Bermuda	Delaware
<b>Directors</b>	
<ul style="list-style-type: none"> <li>• The board of directors must consist of at least one director.</li> <li>• The number of directors fixed by our bye-laws is ten and any changes to such number must be approved by the shareholders.</li> <li>• Removal:               <ul style="list-style-type: none"> <li>• Under our bye-laws, any or all directors may be removed, with or without cause, by the holders of a majority of the shares entitled to vote at a special meeting convened and held in accordance with the bye-laws for the purpose of such removal.</li> <li>• A 25% or more shareholder who is entitled to appoint directors to the board pursuant to our bye-laws is also entitled to remove any directors so appointed by notice in writing to the company.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• The board of directors must consist of at least one member.</li> <li>• Number of board members shall be fixed by the bylaws, unless the certificate of incorporation fixes the number of directors, in which case a change in the number shall be made only by amendment of the certificate of incorporation.</li> <li>• Removal:               <ul style="list-style-type: none"> <li>• Any or all of the directors may be removed, with or without cause, by the holders of a majority of the shares entitled to vote unless the certificate of incorporation otherwise provides.</li> <li>• In the case of a classified board, stockholders may effect removal of any or all directors only for cause.</li> </ul> </li> </ul>
<b>Duties of directors</b>	
<ul style="list-style-type: none"> <li>• The Companies Act authorizes the directors of a company, subject to its bye-laws, to exercise all powers of the company except those that are required by the Companies Act or the company's bye-laws to be exercised by the shareholders of the company. Our bye-laws provide that our business is to be managed and conducted by our board of directors. At common law, members of a board of directors owe a fiduciary duty to the company to act in good faith in their dealings with or on behalf of the company and exercise their powers and fulfill the duties of their office honestly. This duty includes the following essential elements:               <ul style="list-style-type: none"> <li>• a duty to act in good faith in the best interests of the company;</li> <li>• a duty not to make a personal profit from opportunities that arise from the office of director;                   <ul style="list-style-type: none"> <li>• a duty to avoid conflicts of interest; and</li> <li>• a duty to exercise powers for the purpose for which such powers were intended.</li> </ul> </li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Under Delaware law, the business and affairs of a corporation are managed by or under the direction of its board of directors. In exercising their powers, directors are charged with a fiduciary duty of care to protect the interests of the corporation and a fiduciary duty of loyalty to act in the best interests of its stockholders. The duty of care requires that a director act in good faith, with the care that an ordinarily prudent person would exercise under similar circumstances. Under this duty, a director must inform himself of, and disclose to stockholders, all material information reasonably available regarding a significant transaction. The duty of loyalty requires that a director act in a manner he reasonably believes to be in the best interests of the corporation. He must not use his corporate position for personal gain or advantage. This duty prohibits self-dealing by a director and mandates that the best interest of the corporation and its stockholders take precedence over any interest possessed by a director, officer or controlling stockholder and not shared by the stockholders generally.</li> </ul>



Bermuda	Delaware
<ul style="list-style-type: none"> <li>• The Companies Act imposes a duty on directors and officers of a Bermuda company:                             <ul style="list-style-type: none"> <li>• to act honestly and in good faith with a view to the best interests of the company; and</li> <li>• to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.</li> </ul> </li> <li>• The Companies Act also imposes various duties on directors and officers of a company with respect to certain matters of management and administration of the company. Under Bermuda law, directors and officers generally owe fiduciary duties to the company itself, not to the company's individual shareholders, creditors or any class thereof. Our shareholders may not have a direct cause of action against our directors, particularly due to the waiver given by shareholders in the bye-laws of any claim or right of action that they have, both individually and on our behalf, against any director or officer in relation to any action or failure to take action by such director or officer, except in respect of any fraud or dishonesty of such director or officer.</li> </ul>	<ul style="list-style-type: none"> <li>• In general, actions of a director are presumed to have been made on an informed basis, in good faith and in the honest belief that the action taken was in the best interests of the corporation. However, this presumption may be rebutted by evidence of a breach of one of the fiduciary duties. Should such evidence be presented concerning a transaction by a director, a director must prove the procedural fairness of the transaction, and that the transaction was of fair value to the corporation.</li> </ul>
<b>Takeovers</b>	
<ul style="list-style-type: none"> <li>• An acquiring party is generally able to acquire compulsorily the common shares of minority holders of a company in the following ways:                             <ul style="list-style-type: none"> <li>• By a procedure under the Companies Act known as a "scheme of arrangement." A scheme of arrangement could be effected by obtaining the agreement of the company and of holders of common shares, representing in the aggregate a majority in number and at least 75% in value of the common shareholders present and voting at a court ordered meeting held to consider the scheme of arrangement. The scheme of arrangement must then be sanctioned by the Bermuda Supreme Court. If a scheme of arrangement receives all necessary agreements and sanctions, upon the filing of the court order with the Registrar of Companies in Bermuda, all holders of common shares could be compelled to sell their shares under the terms of the scheme of arrangement.</li> <li>• By acquiring pursuant to a tender offer 90% of the shares or class of shares not already owned by, or by a nominee for, the acquiring party (the offeror), or any of its subsidiaries. If an offeror has, within four months after the making of an offer for all the shares or class of shares not owned by, or by a nominee for, the offeror, or any</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Delaware law provides that a parent corporation, by resolution of its board of directors and without any stockholder vote, may merge with any subsidiary of which it owns at least 90% of each class of its capital stock. Upon any such merger, and in the event the parent corporate does not own all of the stock of the subsidiary, dissenting stockholders of the subsidiary are entitled to certain appraisal rights.</li> <li>• Delaware law also provides, subject to certain exceptions, that if a person acquires 15% of voting stock of a company, the person is an "interested stockholder" and may not engage in "business combinations" with the company for a period of three years from the time the person acquired 15% or more of voting stock.</li> </ul>

Bermuda	Delaware
<p>of its subsidiaries, obtained the approval of the holders of 90% or more of all the shares to which the offer relates, the offeror may, at any time within two months beginning with the date on which the approval was obtained, by notice compulsorily acquire the shares of any nontendering shareholder on the same terms as the original offer unless the Supreme Court of Bermuda (on application made within a one-month period from the date of the offeror's notice of its intention to acquire such shares) orders otherwise.</p> <ul style="list-style-type: none"> <li>Where the acquiring party or parties hold not less than 95% of the shares or a class of shares of the company, by acquiring, pursuant to a notice given to the remaining shareholders or class of shareholders, the shares of such remaining shareholders or class of shareholders. When this notice is given, the acquiring party is entitled and bound to acquire the shares of the remaining shareholders on the terms set out in the notice, unless a remaining shareholder, within one month of receiving such notice, applies to the Supreme Court of Bermuda for an appraisal of the value of their shares. This provision only applies where the acquiring party offers the same terms to all holders of shares whose shares are being acquired.</li> </ul> <p><b>Dissenter's rights of appraisal</b></p> <ul style="list-style-type: none"> <li>A dissenting shareholder (that did not vote in favor of the amalgamation or merger) of a Bermuda exempted company and who is not satisfied that he has been offered fair value for his shares may apply to the court to appraise the fair value of his or her shares in an amalgamation or merger.</li> </ul> <p><b>Dissolution</b></p> <ul style="list-style-type: none"> <li>Under Bermuda law, a solvent company may be wound up by way of a members' voluntary liquidation. Prior to the company entering liquidation, a majority of the directors shall each make a statutory declaration, which states that the directors have made a full enquiry into the affairs of the company and have formed the opinion that the company will be able to pay its debts within a period of 12 months of the commencement of the winding up and must file the statutory declaration with the Registrar of Companies in Bermuda. The general</li> </ul>	<ul style="list-style-type: none"> <li>With limited exceptions, appraisal rights shall be available for the shares of any class or series of stock of a corporation in a merger or consolidation.</li> <li>The certificate of incorporation may provide that appraisal rights are available for shares as a result of an amendment to the certificate of incorporation, any merger or consolidation or the sale of all or substantially all of the assets.</li> <li>Under Delaware law, a corporation may voluntarily dissolve (i) if a majority of the board of directors adopts a resolution to that effect and the holders of a majority of the issued and outstanding shares entitled to vote thereon vote for such dissolution; or (ii) if all stockholders entitled to vote thereon consent in writing to such dissolution.</li> </ul>

Bermuda	Delaware
<p>meeting will be convened primarily for the purposes of passing a resolution that the company be wound up voluntarily and appointing a liquidator. The winding up of the company is deemed to commence at the time of the passing of the resolution.</p>	
<p><b>Shareholder's derivative actions</b></p> <ul style="list-style-type: none"><li>• Class actions and derivative actions are generally not available to shareholders under Bermuda law. Bermuda courts, however, would ordinarily be expected to permit a shareholder to commence an action in the name of a company to remedy a wrong to the company where the act complained of is alleged to be beyond the corporate power of the company or illegal, or would result in the violation of the company's memorandum of association or by-laws. Furthermore, consideration would be given by a Bermuda court to acts that are alleged to constitute a fraud against the minority shareholders or, for instance, where an act requires the approval of a greater percentage of the company's shareholders than that which actually approved it.</li></ul>	<ul style="list-style-type: none"><li>• In any derivative suit instituted by a stockholder of a corporation, it shall be averred in the complaint that the plaintiff was a stockholder of the corporation at the time of the transaction of which he complains or that such stockholder's stock thereafter devolved upon such stockholder by operation of law.</li></ul>

## SHARES ELIGIBLE FOR FUTURE SALE

Prior to this offering, no public market existed for our common shares, and although we expect that our common shares will be approved for listing on Nasdaq, we cannot assure investors that there will be an active public market for our common shares following this offering. We cannot predict what effect, if any, sales of our shares in the public market or the availability of shares for sale will have on the market price of our common shares. Future sales of substantial amounts of common shares in the public market, including shares issued upon exercise of outstanding options, or the perception that such sales may occur, however, could adversely affect the market price of our common shares and also could adversely affect our future ability to raise capital through the sale of our common shares or other equity-related securities at times and prices we believe appropriate.

Based upon the 7,750,141 common shares that were outstanding on June 30, 2017, upon completion of this offering we will have outstanding common shares after giving effect to the issuance of common shares in this offering, the automatic conversion of 4,749,861 preferred shares held by TRGI into an equivalent number of our common shares, the conversion of which will occur upon completion of this offering, and no exercise of options outstanding as of June 30, 2017.

All of the common shares sold in this offering will be freely transferable by persons other than our "affiliates," as that term is defined under Rule 144 under the Securities Act, without restriction or further registration under the Securities Act. The remaining outstanding common shares held by existing shareholders are "restricted securities," as that term is defined in Rule 144 under the Securities Act. Restricted securities may be sold in the public market only if the offer and sale is registered under the Securities Act or if the offer and sale of those securities qualifies for exemption from registration, including exemptions provided by Rules 144 and 701 promulgated under the Securities Act.

As a result of lock-up arrangements and market standoff provisions described below and the provisions of Rules 144 and 701, the restricted securities will be available for sale in the public market as follows:

- shares will be eligible for immediate sale upon the completion of this offering; and
- approximately shares will be eligible for sale upon expiration of lock-up arrangements and market standoff provisions described below, beginning 181 days after the date of this prospectus, subject in certain circumstances to the volume, manner of sale and other limitations under Rule 144 and Rule 701.

We may issue common shares from time to time for a variety of corporate purposes, including in capital-raising activities through future public offerings or private placements, in connection with exercise of options and warrants, vesting of restricted share units and other issuances relating to our employee benefit plans and as consideration for future acquisitions, investments or other purposes. The number of common shares that we may issue may be significant, depending on the events surrounding such issuances. In some cases, the shares we issue may be freely tradable without restriction or further registration under the Securities Act; in other cases, we may grant registration rights covering the shares issued in connection with these issuances, in which case the holders of the common shares will have the right, under certain circumstances, to cause us to register any resale of such shares to the public.

### Rule 144

In general, under Rule 144 of the Securities Act, beginning 90 days after the date of this prospectus, an "affiliate" who has beneficially owned our shares for a period of at least six months is entitled to sell within any three-month period a number of shares that does not exceed the greater of either 1% of our then outstanding shares, or approximately shares immediately after this offering, or the average weekly trading volume of our shares on the during the four calendar weeks preceding the filing with the SEC of a notice on Form 144 with respect to such sale. Such sales under Rule 144 of the Securities Act are also subject to prescribed requirements relating to the manner of sale, notice and availability of current public information about us.

Under Rule 144, a person who is not deemed to have been an affiliate of ours at any time during the 90 days preceding a sale, and who has beneficially owned the shares proposed to be sold for at least six months, including the holding period of any prior holder other than an affiliate, is entitled to sell such shares without restriction, provided we have been in compliance with our reporting requirements under the Exchange Act for the six months following satisfaction of the six-month holding period. To the extent that our affiliates sell their shares, other than pursuant to Rule 144 or a registration statement, the purchaser's holding period for the purpose of effecting a sale under Rule 144 commences on the date of transfer from the affiliate.

#### **Rule 701**

In general, under Rule 701 of the Securities Act, each of our employees, consultants or advisors who purchases our common shares from us in connection with a compensatory stock plan or other written agreement executed prior to the completion of this offering is eligible to resell such common shares in reliance on Rule 144, but without compliance with some of the restrictions, including the holding period, contained in Rule 144. As of , common shares had been issued in reliance on Rule 701 upon the exercise of options. However, substantially all such shares are subject to lock-up arrangements as described below and in "Underwriting" and will become eligible for sale upon the expiration of the restrictions set forth in those arrangements.

#### **Regulation S**

Regulation S provides generally that sales made in offshore transactions are not subject to the registration or prospectus-delivery requirements of the Securities Act.

#### **Lock-up Arrangements**

For a description of the lock-up arrangements that we and our shareholders have entered into in connection with this offering, see "Underwriting." In addition to the restrictions contained in the lock-up arrangements described above, we have entered into agreements with certain of our security holders, including our standard forms of option agreements under our equity incentive plans, that contain market stand-off provisions imposing restrictions on the ability of such security holders to offer, sell or transfer our equity securities for a period of 180 days following the date of this prospectus.

#### **Registration Rights**

Subject to the lock-up arrangements described above, upon the closing of this offering, the holders of common shares, or their transferees, will be entitled to various rights with respect to the registration of these shares under the Securities Act. Registration of these shares under the Securities Act would result in these shares becoming fully tradable without restriction under the Securities Act immediately upon the effectiveness of the registration. See "Description of Share Capital—Registration Rights" for additional information. Shares covered by a registration statement will be eligible for sale in the public market upon the expiration or release from the terms of lock-up arrangements applicable to such shares.

#### **Form S-8 Registration Statements**

As of , we had outstanding options to purchase of our common shares, of which options to purchase shares were exercisable. Following this offering, we intend to file one or more registration statements on Form S-8 under the Securities Act to register all of the common shares subject to outstanding options and other awards issuable pursuant to the 2017 Plan. Shares covered by these registration statements will then be eligible for sale in the public markets, subject to vesting restrictions, any applicable lock-up arrangements described above and Rule 144 limitations applicable to affiliates.

## MATERIAL U.S. AND BERMUDA INCOME TAX CONSEQUENCES

The following discussion is a description of the material Bermuda and U.S. federal income tax consequences of an investment in our common shares. This discussion is not exhaustive of all possible tax considerations. In particular, this discussion does not address the tax consequences under state, local, and other national (e.g., non-Bermuda and non-U.S.) tax laws. Accordingly, we urge you to consult your own tax advisor regarding your particular tax circumstances and the tax consequences under state, local, and other national tax laws. The following discussion is based upon laws and relevant interpretations thereof in effect and available as of the date hereof, all of which are subject to change, possibly with retroactive effect.

### **Bermuda Tax Consequences**

The following is a discussion of the material Bermuda tax consequences of an investment in our common shares. The following discussion is not exhaustive of all possible tax considerations. We urge you to consult your own tax advisor regarding your particular tax circumstances.

#### *Taxation of the Companies*

At the present time, there is no Bermuda income or profits tax, withholding tax, capital gains tax, capital transfer tax, estate duty or inheritance tax payable by us or by our shareholders in respect of our shares. We have received from the Minister of Finance of Bermuda under The Exempted Undertaking Tax Protection Act 1966, as amended, an assurance that, in the event that Bermuda enacts legislation imposing tax computed on profits, income, any capital asset, gain or appreciation, or any tax in the nature of estate duty or inheritance, the imposition of any such tax shall not be applicable to us or to any of our operations or shares, debentures or other obligations, until March 31, 2035. The assurance does not exempt us from paying import duty on goods imported into Bermuda. In addition, all entities employing individuals in Bermuda are required to pay a payroll tax and there are other sundry taxes payable, directly or indirectly, to the Bermuda government. We and our subsidiaries incorporated in Bermuda pay annual government fees to the Bermuda government.

#### *Taxation of Holders*

Currently, there is no Bermuda income or profits tax, withholding tax, capital gains tax, capital transfer tax, estate duty or inheritance tax payable by our shareholders in respect of our common shares. The issue, transfer, or redemption of our common shares is not currently subject to stamp duty.

### **U.S. Federal Income Tax Consequences**

The following discussion of the material U.S. federal income tax consequences of the acquisition, ownership and disposition of our common shares is based upon current law and does not purport to be a comprehensive discussion of all the tax considerations that may be relevant to a decision to purchase our common shares. This summary is based on current provisions of the Internal Revenue Code of 1986, as amended, or the Code, existing, final, temporary and proposed U.S. Treasury Regulations, administrative rulings and judicial decisions, in each case in effect and available on the date of this prospectus. All of the foregoing are subject to change, which change could apply retroactively and could affect the tax consequences described below.

This section describes the material U.S. federal income tax consequences to U.S. holders, as defined below, of common shares. This discussion addresses only the U.S. federal income tax considerations for U.S. holders that acquire the common shares at their original issuance and hold the common shares as capital assets. This summary does not address all U.S. federal income tax matters that may be relevant to a particular U.S. holder. **Each**

**prospective investor should consult a professional tax advisor with respect to the tax consequences of the acquisition, ownership or disposition of the common shares.** This summary does not address tax considerations applicable to a holder of common shares that may be subject to special tax rules including, without limitation, the following:

- certain financial institutions;
- insurance companies;
- dealers or traders in securities, currencies, or notional principal contracts;
- tax-exempt entities;
- regulated investment companies or real estate investment trusts;
- persons that hold the common shares as part of a hedge, straddle, conversion, constructive sale or similar transaction involving more than one position;
- an entity classified as a partnership and persons that hold the common shares through partnerships or certain other pass-through entities;
- certain holders (whether individuals, corporations or partnerships) that are treated as expatriates for some or all U.S. federal income tax purposes;
- persons who acquired the common shares as compensation for the performance of services;
- persons holding the common shares in connection with a trade or business conducted outside of the U.S.;
- a U.S. holder who holds the common shares through a financial account at a foreign financial institution that does not meet the requirements for avoiding withholding with respect to certain payments under Sections 1471 through 1474 of the Code;
- holders that own (or are deemed to own) 10% or more of our shares by vote or value; and
- holders that have a “functional currency” other than the U.S. dollar.

Further, this discussion does not address alternative minimum, gift or estate tax consequences or the indirect effects on the holders of equity interests in entities that own our common shares. In addition, this discussion does not consider the U.S. tax consequences to holders of common shares that are not “U.S. holders”(as defined below).

For the purposes of this discussion, a “U.S. holder” is a beneficial owner of common shares that is (or is treated as), for U.S. federal income tax purposes:

- an individual who is either a citizen or resident of the U.S.;
- a corporation, or other entity that is treated as a corporation for U.S. federal income tax purposes, created or organized in or under the laws of the U.S. or any state of the U.S. or the District of Columbia;
- an estate, the income of which is subject to U.S. federal income taxation regardless of its source; or
- a trust, if a court within the United States is able to exercise primary supervision over its administration and one or more U.S. persons have the authority to control all of the substantial decisions of such trust or has a valid election in effect under applicable U.S. Treasury Regulations to be treated as a U.S. person within the meaning of the Code.

If a partnership holds common shares, the tax treatment of a partner and such partnership will generally depend upon the status of the partner and upon the activities of the partnership.

We will not seek a ruling from the U.S. Internal Revenue Service, or the IRS, with regard to the U.S. federal income tax treatment of an investment in our common shares, and we cannot assure you that the IRS will agree with the conclusions set forth below.

#### *Distributions*

Subject to the discussion under "*Passive foreign investment company considerations*" below, the gross amount of any distribution actually or constructively received by a U.S. holder with respect to common shares will be taxable to the U.S. holder as a dividend to the extent of such U.S. holder's pro rata share of our current and accumulated earnings and profits as determined under U.S. federal income tax principles. Distributions in excess of such pro rata share of our earnings and profits will be non-taxable to the U.S. holder to the extent of, and will be applied against and reduce, the U.S. holder's adjusted tax basis in the common shares. Distributions in excess of the sum of such pro rata share of our earnings and profits and such adjusted tax basis will generally be taxable to the U.S. holder as capital gain from the sale or exchange of property. However, since we do not calculate our earnings and profits under U.S. federal income tax principles, it is expected that any distribution will be reported as a dividend, even if that distribution would otherwise be treated as a non-taxable return of capital or as capital gain under the rules described above. The amount of any distribution of property other than cash will be the fair market value of that property on the date of distribution. A corporate U.S. holder will not be eligible for any dividends-received deduction in respect of a dividend received with respect to our common shares.

Under the Code and subject to the discussion below regarding the "Medicare Tax," qualified dividends received by non-corporate U.S. holders (*i.e.*, individuals and certain trusts and estates) are currently subject to a maximum income tax rate of 20%. This reduced income tax rate is applicable to dividends paid by "qualified foreign corporations" to such non-corporate U.S. holders that meet the applicable requirements, including a minimum holding period (generally, at least 61 days without protection from the risk of loss during the 121-day period beginning 60 days before the ex-dividend date). A non-U.S. corporation (other than a corporation that is classified as a passive foreign investment company, or PFIC, for the taxable year in which the dividend is paid or the preceding taxable year) generally will be considered to be a qualified foreign corporation (a) if it is eligible for the benefits of a comprehensive tax treaty with the U.S. which the Secretary of the Treasury of the U.S. determines is satisfactory for purposes of this provision and which includes an exchange of information provision or (b) with respect to any dividend it pays on shares of stock which are readily tradable on an established securities market in the U.S. Our common shares will be listed on \_\_\_\_\_, which has been determined to be an established securities market in the U.S.

Based on the foregoing, we expect to be considered a qualified foreign corporation under the Code. Accordingly, dividends paid by us to non-corporate U.S. holders with respect to shares that meet the minimum holding period and other requirements are expected to be treated as "qualified dividend income." However, dividends paid by us will not qualify for the 20% maximum U.S. federal income tax rate if we are treated, for the tax year in which the dividends are paid or the preceding tax year, as a PFIC for U.S. federal income tax purposes, as discussed below.

Dividends received by a U.S. holder with respect to common shares generally will be treated as foreign source income for the purposes of calculating that holder's foreign tax credit limitation. For this purpose, dividends distributed by us generally will constitute "passive category income" (but, in the case of some U.S. holders, may constitute "general category income").

#### *Sale or Other Disposition of Common Shares*

A U.S. holder will generally recognize gain or loss for U.S. federal income tax purposes upon the sale or exchange of common shares in an amount equal to the difference between the U.S. dollar value of the amount realized from such sale or exchange and the U.S. holder's tax basis for those common shares. Subject to the discussion under "*Passive foreign investment company considerations*" below, this gain or loss will generally be a capital gain or loss and will generally be treated as from sources within the U.S. Such capital gain or loss will be treated as long-term capital gain or loss if the U.S. holder has held the common shares for more than one year at the time of the sale or exchange. Long-term capital gains of non-corporate holders may be eligible for a preferential tax rate; the deductibility of capital



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losses is subject to limitations. For a cash basis taxpayer, units of foreign currency paid or received are translated into U.S. dollars at the spot rate on the settlement date of the purchase or sale. In that case, no foreign currency exchange gain or loss will result from currency fluctuations between the trade date and the settlement date of such a purchase or sale. An accrual basis taxpayer may elect the same treatment required of cash basis taxpayers with respect to purchases and sales of the common shares that are traded on an established securities market, provided the election is applied consistently from year to year. Such election may not be changed without the consent of the IRS. For an accrual basis taxpayer who does not make such election, units of foreign currency paid or received are translated into U.S. dollars at the spot rate on the trade date of the purchase or sale. Such an accrual basis taxpayer may recognize exchange gain or loss based on currency fluctuations between the trade date and settlement date. Any foreign currency gain or loss a U.S. holder realizes will generally be U.S. source ordinary income or loss.

*Medicare Tax*

An additional 3.8% tax, or Medicare Tax, is imposed on all or a portion of the "net investment income" (which includes taxable dividends and net capital gains, adjusted for deductions properly allocable to such dividends or net capital gains) received by (i) U.S. holders that are individuals with modified adjusted gross income of over \$200,000 (\$250,000 in the case of joint filers, \$125,000 in the case of married individuals filing separately) and (ii) certain trusts or estates.

*Passive Foreign Investment Company Considerations*

A corporation organized outside the U.S. generally will be classified as a PFIC for U.S. federal income tax purposes in any taxable year in which, after applying the applicable look-through rules, either: (i) at least 75% of its gross income is passive income, or (ii) on average at least 50% of the gross value of its assets is attributable to assets that produce passive income or are held for the production of passive income. In arriving at this calculation, a pro rata portion of the income and assets of each corporation in which we own, directly or indirectly, at least a 25% interest, as determined by the value of such corporation, must be taken into account. Passive income for this purpose generally includes dividends, interest, royalties, rents and gains from commodities and securities transactions. We believe that we were not a PFIC for any previous taxable year. Based on our estimated gross income, the average value of our gross assets, and the nature of the active businesses conducted by our "25% or greater" owned subsidiaries, we do not believe that we will be classified as a PFIC in the current taxable year and do not expect to become one in the foreseeable future. Our status for any taxable year will depend on our assets and activities in each year, and because this is a factual determination made annually after the end of each taxable year, there can be no assurance that we will not be considered a PFIC for the current taxable year or any future taxable year. The market value of our assets may be determined in large part by reference to the market price of our common shares, which is likely to fluctuate after the offering (and may fluctuate considerably given that market prices of technology companies have been especially volatile). In addition, the composition of our income and assets will be affected by how, and how quickly, we spend the cash we raise in this offering. If we were a PFIC for any taxable year during which a U.S. holder held common shares, under the "default PFIC regime" (i.e., in the absence of one of the elections described below) gain recognized by the U.S. holder on a sale or other disposition (including a pledge) of the common shares would be allocated ratably over the U.S. holder's holding period for the common shares. The amounts allocated to the taxable year of the sale or other disposition and to any year before we became a PFIC would be taxed as ordinary income. The amount allocated to each other taxable year would be subject to tax at the highest rate in effect for individuals or corporations, as appropriate, for that taxable year, and an interest charge would be imposed on the resulting tax liability for that taxable year. Similar rules would apply to the extent any distribution in respect of common shares exceeds 125% of the average of the annual distributions on common shares received by a U.S. holder during the preceding three years or the holder's holding period, whichever is shorter.

In the event we were treated as a PFIC, the tax consequences under the default PFIC regime described above could be avoided by either a "mark-to-market" or "qualified electing fund," or QEF, election. A U.S. holder making a mark-to-market election (if the eligibility requirements for such an election were satisfied) generally would not be

subject to the PFIC rules discussed above, except with respect to any portion of the holder's holding period that preceded the effective date of the election. Instead, the electing holder would include in ordinary income, for each taxable year in which we were a PFIC, an amount equal to any excess of (a) the fair market value of the common shares as of the close of such taxable year over (b) the electing holder's adjusted tax basis in such common shares. In addition, an electing holder would be allowed a deduction in an amount equal to the lesser of (a) the excess, if any, of (i) the electing holder's adjusted tax basis in the common shares over (ii) the fair market value of such common shares as of the close of such taxable year or (b) the excess, if any, of (i) the amount included in ordinary income because of the election for prior taxable years over (ii) the amount allowed as a deduction because of the election for prior taxable years. The election would cause adjustments in the electing holder's tax basis in the common shares to reflect the amount included in gross income or allowed as a deduction because of the election. In addition, upon a sale or other taxable disposition of common shares, an electing holder would recognize ordinary income or loss (not to exceed the excess, if any, of (a) the amount included in ordinary income because of the election for prior taxable years over (b) the amount allowed as a deduction because of the election for prior taxable years).

Alternatively, a U.S. holder making a valid and timely QEF election generally would not be subject to the default PFIC regime discussed above. Instead, for each PFIC year to which such an election applied, the electing holder would be subject to U.S. federal income tax on the electing holder's pro rata share of our net capital gain and ordinary earnings for that year, regardless of whether such amounts were actually distributed to the electing holder. Although the company currently intends to make available the information necessary to permit a U.S. holder to make a valid QEF election, there can be no assurance that it will continue to do so in future years.

If we are considered a PFIC for the current taxable year or any future taxable year, a U.S. holder may be required to file annual information returns for such year, whether or not the U.S. holder disposed of any common shares or received any distributions in respect of common shares during such year.

#### *Backup Withholding and Information Reporting*

U.S. holders generally will be subject to information reporting requirements with respect to dividends on common shares and on the proceeds from the sale, exchange or disposition of common shares that are paid within the U.S. or through U.S.-related financial intermediaries, unless the U.S. holder is an "exempt recipient." In addition, U.S. holders may be subject to backup withholding (currently at a 28% rate) on such payments, unless the U.S. holder provides a taxpayer identification number and a duly executed IRS Form W-9 or otherwise establishes an exemption. Backup withholding is not an additional tax, and the amount of any backup withholding will be allowed as a credit against a U.S. holder's U.S. federal income tax liability and may entitle such holder to a refund, provided that the required information is timely furnished to the IRS.

#### *Foreign Account Tax Compliance Act, or FATCA, and Related Provisions*

Under certain circumstances, the company or its paying agent may be required, pursuant to the FATCA provisions of the Code (or analogous provisions of non-U.S. law) and regulations or pronouncements thereunder, any "intergovernmental agreement" entered into pursuant to those provisions or any U.S. or non-U.S. fiscal or regulatory legislation, rules, guidance, notes or practices adopted pursuant to any such agreement, to withhold U.S. tax at a rate of 30% on all or a portion of payments of dividends or other corporate distributions which are treated as "foreign pass-through payments" made on or after January 1, 2019, if such payments are not exempt from such withholding. The company believes, and this discussion assumes, that the company is not a "foreign financial institution" for purposes of FATCA. The rules regarding FATCA and "foreign pass-through payments," including the treatment of proceeds from the disposition of common shares, are not completely clear, and further guidance may be issued by the IRS that would clarify how FATCA might apply to dividends or other amounts paid on or with respect to common shares.

*Foreign Asset Reporting*

In addition, certain individuals who are U.S. Holders may be required to file IRS Form 8938 to report the ownership of "specified foreign financial assets" if the total value of those assets exceeds an applicable threshold amount (subject to certain exceptions). For these purposes a specified foreign financial asset may include not only a financial account (as defined for these purposes) maintained by a non-U.S. financial institution, but also stock or securities issued by a non-U.S. corporation (such as our company). An asset with respect to which an IRS Form 8621 has been filed does not have to be reported on Form 8938. Certain U.S. entities may also be required.

**ENFORCEMENT OF CIVIL LIABILITIES**

We are an exempted company incorporated under the laws of Bermuda. As a result, the rights of holders of our common shares will be governed by Bermuda law and our memorandum of association and bye-laws. Bermuda has a less developed body of securities laws as compared to the U.S. and provides protections for investors to a lesser extent.

Most of our directors and officers and those of our subsidiaries are residents of countries other than the U.S. Substantially all of our and our subsidiaries' assets and a substantial portion of the assets of our directors and officers are located outside the U.S. As a result, it may be difficult or impossible for U.S. investors to effect service of process within the U.S. upon us, our directors or officers or our subsidiaries or to realize against us or them judgments obtained in U.S. courts, including judgments predicated upon the civil liability provisions of the securities laws of the U.S. or any state in the U.S. However, we have expressly submitted to the jurisdiction of the U.S. federal and New York state courts sitting in the City of New York for the purpose of any suit, action or proceeding arising under the securities laws of the U.S. or any state in the U.S.

ASW Law Limited, our counsel as to Bermuda law, has advised us that there is uncertainty as to whether the courts of Bermuda would (1) recognize or enforce against us or our directors or officers judgments of courts of the U.S. based on civil liability provisions of applicable U.S. federal and state securities laws; or (2) impose liabilities against us or our directors and officers in original actions brought in Bermuda, based on these laws. Our registered address in Bermuda is Crawford House, 50 Cedar Avenue, Hamilton HM 11, Bermuda.

**UNDERWRITING**

Robert W. Baird & Co. Incorporated, Piper Jaffray & Co., William Blair & Company, L.L.C. and SunTrust Robinson Humphrey, Inc. are serving as joint book-running managers of this offering and as representatives of the underwriters. We, the selling shareholder and the underwriters named below have entered into an underwriting agreement with respect to the common shares being offered hereby. Subject to certain conditions set forth in the underwriting agreement, each underwriter has severally agreed to purchase, at the public offering price less the underwriting discounts and commissions set forth on the cover page of this prospectus, the number of common shares set forth in the following table.

<b>Underwriters</b>	<b>Number of Shares</b>
Robert W. Baird & Co. Incorporated	
Piper Jaffray & Co.	
William Blair & Company, L.L.C.	
SunTrust Robinson Humphrey, Inc.	
<b>Total</b>	

The underwriters are committed to take and pay for all of the shares offered by us and the selling shareholder, if any are taken, other than the shares covered by the option described below. The obligations of the underwriters under the underwriting agreement may be terminated upon the occurrence of certain stated events, including that if an underwriter defaults, the purchase commitments of non-defaulting underwriters may be increased or this offering may be terminated.

The selling shareholder has granted the underwriters an option to buy up to an additional common shares to cover sales by the underwriters which exceed the number of shares specified in the table above. The underwriters have 30 days from the date of this prospectus to exercise this option. If any shares are purchased pursuant to this option, the underwriters will severally purchase shares in approximately the same proportion as set forth in the table above. If any additional common shares are purchased, the underwriters will offer the additional shares on the same terms as those on which the shares are being offered.

At our request, the underwriters have reserved for sale at the initial public offering price up to approximately 5% of the common shares being sold in this offering to certain of our business associates, officers, directors, certain of their family members and others. We will offer these shares to the extent permitted under applicable regulations in the U.S. The sales will be made by the underwriters through a directed share program. The number of common shares available for sale to the general public will be reduced to the extent that such persons purchase such reserved shares. Any reserved shares not so purchased will be offered by the underwriters to the general public on the same basis as the other shares offered hereby. We have agreed to indemnify the underwriters in connection with the directed share program, including for the failure of any participant to pay for its shares. Other than the underwriting discounts and commissions listed on the cover page of this prospectus, the underwriters will not be entitled to any commission with respect to common shares sold pursuant to the directed share program. To the extent such shares are purchased by any of our existing stockholders who have entered into lock-up agreements with the underwriters, then such shares will be subject to the restrictions contained in such agreements.

The underwriters propose to offer the common shares directly to the public at the initial public offering price set forth on the cover page of this prospectus and to certain dealers at that price less a concession not in excess of \$ per share. The underwriting fee is equal to the public offering price per common share, less the amount paid by the

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underwriters to us and the selling shareholder per common share. The underwriting fee is \$ per share. The following tables set forth the per share and total underwriting discounts and commissions to be paid to the underwriters, assuming both no exercise and full exercise of the underwriters' option to purchase additional shares.

<b>Paid by Us</b>	<b>Total Fees</b>	
	No Exercise	Full Exercise
Per Share	\$	\$
Total	\$	\$

<b>Paid by the Selling Shareholder</b>	<b>Total Fees</b>	
	No Exercise	Full Exercise
Per Share	\$	\$
Total	\$	\$

We estimate that the total expenses of this offering, including registration, filing, listing and printing fees, legal and accounting expenses, but excluding underwriting discounts and commissions, will be approximately \$ million, which will be paid by us. We have agreed to reimburse the underwriters for certain expenses in connection with the qualification of the offering with the Financial Industry Regulatory Authority, Inc. (FINRA). Such reimbursement is deemed to be underwriting compensation by FINRA.

We, our executive officers, directors and holders of substantially all of our common shares on the date of this prospectus, including the selling shareholder, have agreed with the underwriters, subject to certain limited exceptions, not to sell or transfer any common shares or securities convertible into, exchangeable for, exercisable for, or repayable with common shares, for 180 days after the date of this prospectus without first obtaining the written consent of Robert W. Baird & Co. Incorporated and Piper Jaffray & Co. Specifically, we and such other persons have agreed, subject to certain limited exceptions, not to offer, sell, contract to sell, pledge, grant any option to purchase, make any short sale or otherwise dispose of any common shares, or any options or warrants to purchase any common shares, or any securities convertible into, exchangeable for or that represent the right to receive common shares, whether now owned or hereinafter acquired, owned directly by us or such other persons (including holding as a custodian) or with respect to which we or such other persons have beneficial ownership within the rules and regulations of the Securities and Exchange Commission. We and such other persons have agreed that these restrictions expressly preclude us and such other persons from engaging in any hedging or other transaction which is designed to or which reasonably could be expected to lead to or result in a sale or disposition of our or such other persons' common shares if such common shares would be disposed of by someone other than us or such other persons. Prohibited hedging or other transactions includes any short sale or any purchase, sale or grant of any right (including without limitation any put or call option) with respect to any of our or such other persons' common shares or with respect to any security that includes, relates to or derives any significant part of its value from such common shares.

The foregoing restrictions do not apply to:

- the sale of shares pursuant to the underwriting agreement hereunder;
- common shares issued upon the exercise of options granted under existing equity compensation or management incentive plans described in the prospectus;
- other customary exceptions, including transfers of common shares or any securities convertible into, exchangeable for, exercisable for, or repayable with common shares (i) by will or intestacy, provided such transferee agrees to the applicable lock-up restrictions, (ii) as a bona fide gift or gifts, provided such transferee

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agrees to the applicable lock-up restrictions, (iii) to any trust, partnership, limited liability company or other entity for the direct or indirect benefit of a security holder or the immediate family of such security holder, provided such transferee agrees to the applicable lock-up restrictions or (iv) pursuant to an order of a court or regulatory agency.

The 180-day restricted period described above will be automatically extended if: (1) during the last 17 days of the 180-day restricted period, we issue an earnings release or announce material news or a material event occurs; (2) prior to the expiration of the 180-day restricted period, we announce that we will release earnings results during the 16-day period beginning on the last day of the 180-day period, in which case the restrictions described in the foregoing paragraph will continue to apply until the expiration of the 18-day period beginning on the issuance of the earnings release or the announcement of the material news or material event; or (3) Robert W. Baird & Co. Incorporated and Piper Jaffray & Co. each waives such extension in writing.

The underwriters do not expect sales to discretionary accounts to exceed 5% of the total number of shares offered.

Prior to this offering, there has been no public market for the shares. The initial public offering price has been determined by negotiations among us and the selling shareholder, and the representatives of the underwriters. In determining the initial public offering price, we and the selling shareholder and the representatives of the underwriters have considered a number of factors, including:

- the information set forth in this prospectus and otherwise available to the representatives;
- our prospects and the history and prospects for the industry in which we compete;
- an assessment of our management;
- prevailing market conditions;
- our historical performance;
- estimates of our business potential and prospects for future earnings;
- consideration of the above factors in relation to market valuation and stages of developments of other companies comparable to ours; and
- other factors deemed relevant by the representatives of the underwriters, us and the selling shareholder.

Neither we nor the selling shareholder nor the underwriters can assure investors that an active trading market will develop for our common shares, or that the shares will trade in the public market at or above the initial public offering price.

We intend to apply to have our common shares listed on the Nasdaq Global Market under the symbol "IBEX."

We and the selling shareholder have agreed to indemnify the several underwriters and their controlling persons against certain liabilities, including liabilities under the Securities Act.

**Stabilization, Short Positions and Penalty Bids**

In connection with this offering, the underwriters may effect certain transactions in common shares in the open market in order to prevent or retard a decline in the market price of our common shares while this offering is in progress. These transactions may include short sales, purchases to cover positions created by short sales and stabilizing transactions. Short sales involve the sale by the underwriters of a greater number of shares than they are required to purchase in the offering, and a short position represents the amount of such sales that have not been covered by subsequent purchases. "Covered" shorts are short positions in an amount not greater than the underwriters' option described herein, and "naked" shorts are short positions in excess of that amount. In determining the source of shares to close out a "covered" short, the underwriters will consider, among other things, the price of shares available for purchase in the open market as compared to the price at which they may purchase shares through the option. A "covered" short may be covered by either exercising the underwriters' option or

purchasing shares in the open market. A “naked” short is more likely to be created if underwriters are concerned that there may be downward pressure on the price of our common shares in the open market prior to the completion of the offering, and may only be closed out by purchasing shares in the open market. Stabilizing transactions consist of various bids for or purchases of our common shares made by the underwriters in the open market prior to the completion of the offering.

In addition, the underwriters may, pursuant to Regulation M of the Securities Act, also impose a penalty bid, which is when a particular underwriter repays to the other underwriters a portion of the underwriting discount received by it because the representatives have repurchased shares sold by or for the account of that underwriter in stabilizing or short covering transactions.

Purchases to cover a short position and stabilizing transactions, as well as other purchases by the underwriters for their own accounts, may have the effect of preventing or slowing a decline in the market price of our common shares, and together with the imposition of a penalty bid, may stabilize, maintain or otherwise affect the market price of our common shares. As a result, the price of our common shares may be higher than the price that might otherwise exist in the open market. If these activities are commenced by the underwriters, they may be discontinued at any time. These transactions may be effected on the Nasdaq Global Market, in the over-the-counter market or otherwise.

#### **Electronic Distribution**

In connection with this offering, certain of the underwriters may distribute prospectuses by electronic means, such as email. In addition, certain of the underwriters may facilitate Internet distribution for this offering to certain of their Internet subscription customers, and allocate a limited number of shares for sale to its online brokerage customers. A prospectus in electronic format is being made available on the website maintained by one or more of the bookrunners of this offering and may be made available on websites maintained by the other underwriters. Other than the prospectus in electronic format, the information on any underwriter’s website and any information contained in any other website maintained by an underwriter is not a part of the prospectus or the registration statement, of which this prospectus forms a part.

#### **Other Relationships**

The underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, investment research, hedging, financing and brokerage activities. Certain of the underwriters and their respective affiliates have, from time to time, performed, and may provide from time to time in the future, various financial advisory and investment banking services for us, for which they have received or will receive customary fees and expenses.

In addition, in the ordinary course of their various business activities, certain of the underwriters and their respective affiliates may from time to time effect transactions for their own account or the account of their customers, and hold on behalf of themselves or their customers, long or short positions in our debt or equity securities (including related derivative securities) and financial instruments (including bank loans), and may continue to do so in the future. The underwriters and their respective affiliates may also make investment recommendations and / or publish or express independent research views in respect of such securities or instruments and may at any time hold, or recommend to clients that they acquire, long and / or short positions in such securities and instruments.



**EXPENSES RELATED TO THE OFFERING**

We estimate that expenses of the offering, excluding underwriting discounts and commissions, incurred by us will be as follows:

SEC registration fee	\$	*
FINRA filing fee		*
Exchange listing fee		*
Printing expenses		*
Legal fees and expenses		*
Accounting fees and expenses		*
Miscellaneous expenses		*
Total expenses	\$	*

All amounts in the table are estimated except for the SEC registration fee and the FINRA filing fee.

\* To be filed by amendment.

## **LEGAL MATTERS**

Certain legal matters with respect to U.S. law in connection with this offering will be passed upon for us by DLA Piper LLP (US). The validity of the common shares being offered by this prospectus and certain other legal matters with respect to Bermuda law in connection with this offering will be passed upon for us by ASW Law Limited. Certain legal matters with respect to U.S. law in connection with this offering will be passed upon for the underwriters by Goodwin Procter LLP.

## **EXPERTS**

The consolidated financial statements as of June 30, 2017 and 2016 and July 1, 2015 and for each of the two years in the period ended June 30, 2017 included in this Prospectus and in the Registration Statement have been so included in reliance on the reports of BDO LLP, an independent registered public accounting firm, appearing elsewhere herein and in the Registration Statement, given on the authority of said firm as experts in auditing and accounting.

BDO LLP, London, United Kingdom, is a member of the Institute of Chartered Accountants in England and Wales.

## **WHERE YOU CAN FIND ADDITIONAL INFORMATION**

We have filed with the SEC a registration statement on Form F-1 under the Securities Act, including relevant exhibits and schedules, with respect to the common shares to be sold in this offering. This prospectus, which constitutes a part of the registration statement, does not contain all of the information contained in the registration statement. You should read the registration statement and its exhibits for further information with respect to us and our shares. Some of these exhibits consist of documents or contracts that are described in this prospectus in summary form. You should read the entire document or contract for the complete terms.

After this offering, we will be subject to the reporting requirements of the Exchange Act applicable to foreign private issuers. Accordingly, we will be required to file reports and other information with the SEC, including annual reports on Form 20-F and reports on Form 6-K.

You may read and copy reports and other information filed with the SEC, including the registration statement of which this prospectus forms a part and the exhibits thereto, at the SEC's Public Reference Room at 100 F Street N.E., Room 1580, Washington, D.C. 20549. You can request copies of the registration statement by writing to the SEC and paying a fee for the copying cost. Please call the SEC at 1-800-SEC-0330 for more information about the operation of the SEC's public reference room. In addition, the SEC maintains an Internet website at [www.sec.gov](http://www.sec.gov), from which you can electronically access reports and other information filed with the SEC, including the registration statement of which this prospectus forms a part and the exhibits thereto.

As a foreign private issuer, we are exempt under the Exchange Act from, among other things, the rules prescribing the furnishing and content of proxy statements, and our executive officers, directors and principal shareholders are exempt from the reporting and short-swing profit recovery provisions contained in Section 16 of the Exchange Act. In addition, we will not be required under the Exchange Act to file periodic reports and financial statements with the SEC as frequently or as promptly as U.S. companies whose securities are registered under the Exchange Act.

We also maintain an Internet website at [www.ibex.co](http://www.ibex.co). Information contained in or connected to our website is not a part of this prospectus.

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**Consolidated Financial Statements as of and for the two years ended June 30, 2017**

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## Report of Independent Registered Public Accounting Firm

Board of Directors and Shareholders  
IBEX Holdings Limited  
Hamilton, Bermuda

We have audited the accompanying consolidated statements of financial position of IBEX Holdings Limited, as of June 30, 2017, June 30, 2016 and July 1, 2015, and the related consolidated statements of profit or loss and other comprehensive income, changes in equity, and cash flows for each of the two years in the period ended June 30, 2017. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of IBEX Holdings Limited at June 30, 2017, June 30, 2016 and July 1, 2015, and the results of its operations and its cash flows for each of the two years in the period ended June 30, 2017, in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board.

/s/ BDO LLP

BDO LLP  
London, United Kingdom

November 22, 2017

**IBEX Holdings Limited**  
**Consolidated Statements of Financial Position**  
**As at**

		As at June 30, 2017 Pro Forma note 2.2 (unaudited)	As at June 30, 2017	As at June 30, 2016	As at July 1, 2015
	Notes		(US\$'000)		
<b>Assets</b>					
<b>Non-current assets</b>					
Goodwill	4		11,832	11,886	13,258
Other intangible assets	5		5,967	9,128	11,345
Property and equipment	6		22,814	23,333	17,966
Investment in joint venture	7		294	288	—
Deferred tax asset	22		4,390	3,316	2,428
Renewal receivables	8		13,569	5,241	—
Other assets	9		4,781	4,498	4,534
<b>Total non-current assets</b>			<b>63,647</b>	<b>57,690</b>	<b>49,531</b>
<b>Current assets</b>					
Trade and other receivables	10		58,449	63,938	46,996
Renewal receivables	8		5,309	2,051	—
Deferred expenses	11		2,907	4,658	3,348
Due from related parties	27		597	651	2,288
Cash and cash equivalents	12		21,321	9,451	5,803
<b>Total current assets</b>			<b>88,583</b>	<b>80,749</b>	<b>58,435</b>
<b>Total assets</b>			<b>152,230</b>	<b>138,439</b>	<b>107,966</b>
<b>Equity and liabilities</b>					
<b>Equity attributable to owners of the parent</b>					
Share capital	14	1	1	1	1
Preference shares	14	—	—	—	—
Senior preferred shares	14	—	20,000	—	—
Additional paid-in capital	14	96,218	96,218	64,210	64,210
Other reserves		22,553	22,553	22,336	21,361
Accumulated deficit		(110,034)	(110,034)	(70,443)	(68,527)
		<b>8,738</b>	<b>28,738</b>	<b>16,104</b>	<b>17,045</b>
Non-controlling interests	15	—	—	3,643	6,708
<b>Total equity</b>		<b>8,738</b>	<b>28,738</b>	<b>19,747</b>	<b>23,753</b>
<b>Non-current liabilities</b>					
Deferred revenue	13		2,503	1,376	1,196
Borrowings	16		14,651	12,205	11,410
Deferred tax liability	22		5,339	4,622	3,143
Other non-current liabilities	18		1,114	1,095	1,304
<b>Total non-current liabilities</b>			<b>23,607</b>	<b>19,298</b>	<b>17,053</b>
<b>Current liabilities</b>					
Trade and other payables	19		41,049	38,901	35,119
Borrowings	16		41,597	28,377	18,113
Related party loans	17		1,700	18,169	5,654
Deferred revenue	13		4,922	8,166	5,372
Due to related parties	27		10,617	5,781	2,902
<b>Total current liabilities</b>			<b>99,885</b>	<b>99,394</b>	<b>67,160</b>
<b>Total liabilities</b>			<b>123,492</b>	<b>118,692</b>	<b>84,213</b>
<b>Total equity and liabilities</b>			<b>152,230</b>	<b>138,439</b>	<b>107,966</b>

The accompanying notes are an integral part of these consolidated financial statements.

**IBEX Holdings Limited**  
**Consolidated Statements of Profit or Loss and Other Comprehensive Income**  
*For the years ended*

	Notes	June 30, 2017	June 30, 2016
(US\$'000)			
Revenue	29	334,034	323,016
Other operating income		508	635
Employee benefits expenses	30	227,553	217,810
Reseller commission and lead expenses		34,809	30,123
Depreciation and amortization		13,832	12,655
Other operating costs	31	60,673	54,501
<b>(Loss) / profit from operations</b>		<b>(2,325)</b>	<b>8,562</b>
Finance expenses	21	(6,393)	(5,130)
<b>(Loss) / profit before taxation</b>		<b>(8,718)</b>	<b>3,432</b>
Income tax expense	22	(295)	(1,861)
<b>Net (loss) / profit for the year</b>		<b>(9,013)</b>	<b>1,571</b>
<b>Other comprehensive income / (loss)</b>			
<i>Item that will not be subsequently reclassified to profit or loss</i>			
Actuarial gain on retirement benefits		68	132
<i>Item that will be subsequently reclassified to profit or loss</i>			
Foreign currency translation adjustment		54	(143)
		<b>122</b>	<b>(11)</b>
<b>Total comprehensive (loss) / income</b>		<b>(8,891)</b>	<b>1,560</b>
<b>(Loss) / profit attributable to:</b>			
- Shareholders of the Holding Company		(7,764)	2,263
- Non-controlling interest		(1,249)	(692)
		<b>(9,013)</b>	<b>1,571</b>
<b>Other comprehensive income / (loss) attributable to:</b>			
- Shareholders of the Holding Company		104	13
- Non-controlling interest		18	(24)
		<b>122</b>	<b>(11)</b>
<b>Total comprehensive income / (loss) attributable to:</b>			
- Shareholders of the Holding Company		(7,660)	2,276
- Non-controlling interest		(1,231)	(716)
		<b>(8,891)</b>	<b>1,560</b>
<b>(US\$)</b>			
<b>(Loss) / earnings per share attributable to the ordinary equity holders of the parent</b>			
Basic (loss) / earnings per share	24	(0.62)	0.18
Diluted (loss) / earnings per share	24	(0.62)	0.18

The accompanying notes are an integral part of these consolidated financial statements.

**IBEX Holdings Limited**  
**Consolidated Statements of Changes in Equity**  
*For the years ended*

	Attributable to shareholders of the Holding Company											
	Issued, subscribed and paid-in capital				Other Reserves				Accumulated Deficit	Sub-total	Non-controlling interests	Total equity
	Share capital	Preference shares	Senior preferred shares	Additional paid-in capital	Re-organization reserve	Share option plans	Foreign currency translation reserve	Actuarial gain on defined benefit scheme				
	(US\$ '000)											
<b>Balance as at July 1, 2015</b>	1	—	—	64,210	15,967	5,777	(441)	58	(68,527)	17,045	6,708	23,753
<b>Comprehensive income for the year</b>												
Profit for the year ended June 30, 2016	—	—	—	—	—	—	—	—	2,263	2,263	(692)	1,571
Other comprehensive loss	—	—	—	—	—	—	(81)	94	—	13	(24)	(11)
<b>Total comprehensive income for the year</b>	—	—	—	—	—	—	(81)	94	2,263	2,276	(716)	1,560
<b>Transactions with owners</b>												
Dividend distribution (note 24)	—	—	—	—	—	—	—	—	(4,276)	(4,276)	(2,287)	(6,563)
Share-based transactions	—	—	—	—	—	1,080	—	—	59	1,139	—	1,139
Purchase of treasury shares by a subsidiary	—	—	—	—	(118)	—	—	—	50	(68)	(50)	(118)
Fair value movement in warrant	—	—	—	—	—	—	—	—	(12)	(12)	(12)	(24)
	—	—	—	—	(118)	1,080	—	—	(4,179)	(3,217)	(2,349)	(5,566)
<b>Balance as at June 30, 2016</b>	1	—	—	64,210	15,849	6,857	(522)	152	(70,443)	16,104	3,643	19,747
<b>Comprehensive income for the year</b>												
Loss for the year ended June 30, 2017	—	—	—	—	—	—	—	—	(7,764)	(7,764)	(1,249)	(9,013)
Other comprehensive income	—	—	—	—	—	—	46	58	—	104	18	122
<b>Total comprehensive loss for the year</b>	—	—	—	—	—	—	46	58	(7,764)	(7,660)	(1,231)	(8,891)
<b>Transactions with owners</b>												
Dividend distribution (note 24)	—	—	—	—	—	—	—	—	(2,608)	(2,608)	—	(2,608)
Share-based transactions	—	—	—	—	—	275	—	—	25	300	—	300
Contribution by shareholder	—	—	—	190	—	—	—	—	—	190	—	190
Issuance of senior preferred shares (note 14.4)	—	—	20,000	—	—	—	—	—	—	20,000	—	20,000
Purchase of non-controlling interest	—	—	—	31,818	—	—	(234)	72	(29,244)	2,412	(2,412)	—
	—	—	20,000	32,008	—	275	(234)	72	(31,827)	20,294	(2,412)	17,882
<b>Balance as at June 30, 2017</b>	<b>1</b>	—	<b>20,000</b>	<b>96,218</b>	<b>15,849</b>	<b>7,132</b>	<b>(710)</b>	<b>282</b>	<b>(110,034)</b>	<b>28,738</b>	—	<b>28,738</b>

The accompanying notes are an integral part of these consolidated financial statements.

**IBEX Holdings Limited**  
**Consolidated Statements of Cash Flows**  
*For the years ended*

	Note	June 30, 2017	June 30, 2016
(US\$'000)			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
(Loss) / profit before taxation		(8,718)	3,432
Adjustments for:			
Depreciation and amortization		13,832	12,655
Impairment losses on goodwill	4	54	1,426
Foreign currency translation loss / (gain)		476	(53)
Fair value movement in warrant		—	(24)
Share-based payments		323	945
Provision for bad debt expense		1,533	4,733
Share of (profit) / loss from investment in joint venture	7	(6)	152
Provision for defined benefit scheme	18.1	242	263
Finance costs	21	6,393	5,130
Gain on sale of property and equipment		—	(1)
Decrease / (increase) in trade and other receivables		4,010	(20,038)
Increase in renewal receivables		(11,586)	(7,292)
Decrease / (increase) in prepayments and other assets		1,775	(1,116)
Increase in trade and other payables and other liabilities		2,336	7,485
Cash generated from operations		<b>10,664</b>	<b>7,697</b>
Interest paid		(2,663)	(3,646)
Income taxes paid		(1,355)	(1,009)
<b>Net cash inflow from operating activities</b>		<b>6,646</b>	<b>3,042</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of property and equipment		(9,039)	(9,515)
Purchase of other intangible assets		(892)	(1,366)
Sale of property and equipment		177	178
Investment made during the year		—	(880)
<b>Net cash used in investing activities</b>		<b>(9,754)</b>	<b>(11,583)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from line of credit		4,801	13,270
Proceeds from borrowings		25,130	16,450
Repayment of borrowings		(11,668)	(19,736)
Proceeds from related party loans		1,224	12,603
Payments on finance lease obligations		(3,726)	(3,977)
Government grant received		—	200
Contribution by shareholder		190	—
Proceeds from issuance of shares		25	59
Purchase of treasury shares		—	(118)
Dividend distribution		(1,000)	(6,563)
<b>Net cash inflow from financing activities</b>		<b>14,976</b>	<b>12,188</b>
Effects of exchange rate difference on cash and cash equivalents		2	1
Net increase in cash and cash equivalents		<b>11,870</b>	<b>3,648</b>
Cash and cash equivalents at beginning of the year		<u>9,451</u>	<u>5,803</u>
<b>Cash and cash equivalents at end of the year</b>	12	<b><u>21,321</u></b>	<b><u>9,451</u></b>
<b>Non-cash items</b>			
Issuance of 1,538,462 non convertible senior preferred shares by one subsidiary of group	14.4.1	20,000	—
Cancellation of related party convertible loan notes	17	20,000	—
New finance leases		253	3,101

The accompanying notes are an integral part of these consolidated financial statements.



**IBEX Holdings Limited**  
**Notes to the Consolidated Financial Statements**  
*For the years ended June 30, 2017 and 2016*

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**1. THE GROUP AND ITS OPERATIONS**

- 1.1** IBEX Holdings Limited, hereinafter also referred to as "the Holding Company", was incorporated on February 28, 2017. The registered office of the Holding Company is situated at Crawford House, 50 Cedar Avenue, Hamilton HM 11, Bermuda, which is also principal place of business of the Holding Company. "The Group" refers to the Holding Company and its subsidiaries. The Holding Company is controlled by and majority owned by The Resource Group International Limited ("TRGI"), whereas TRG Pakistan Limited holds major shares in TRGI.

The Group is a leading end-to-end provider of technology-enabled customer lifecycle experience ("CLX") solutions. Through the Group's integrated CLX platform, a comprehensive portfolio of solutions is offered to optimize customer acquisition, engagement, expansion and experience for clients. The Group leverages sophisticated technology and proprietary analytics, in combination with its global contact and delivery center footprint and business process outsourcing expertise, to protect and enhance clients' brands. The Group manages approximately 60 million interactions each year with consumers on behalf of clients through an omni-channel approach, using voice, web, chat and email.

Commencing in April 2017, TRGI undertook a series of transactions ("the Reorganization Transaction") that, upon its completion on June 30, 2017, resulted in the Holding Company owning the majority of the share capital of three newly formed intermediate Bermuda holding companies, IBEX Global Limited, DGS Limited and Etelequote Limited, which in turn directly hold investments in IBEX (IBEX Global Limited and its subsidiaries), DGS (DGS Limited and its subsidiaries) and ETQ (Etelequote Limited and its subsidiaries) businesses, respectively, as listed below. The portfolio company assets corresponding to the iSky business ("iSky, Inc.") are held directly by the Holding Company. All these portfolio company assets corresponding to the IBEX, DGS, ETQ and iSky businesses were indirectly controlled by TRGI prior to and following the Reorganization Transaction.

The financial position of the Group, its cash flows, liquidity position and borrowing facilities are described in note 16 to the financial statements. In addition, notes 26 and 28 to the financial statements include the Group's objectives, policies and processes for managing its capital; financial risk management objectives; details of financial instruments; exposures to credit risk, market risks and liquidity risks.

In the year ended June 30, 2017 the Group has experienced a net loss of \$9.0 million and as at June 30, 2017, has an accumulated deficit of \$110.0 million. Current liabilities exceed current assets by \$11.3 million as at June 30, 2017. The Group has cash and cash equivalents of \$21.3 million as at June 30, 2017.

The accompanying consolidated financial statements have been prepared assuming that the Group will continue as a going concern for at least a period of twelve months from the date of issuance of financial statements. This basis of accounting contemplates the recovery of the Group's assets and the satisfaction of liabilities in the normal course of business. The Group is currently exploring additional financing options to enable it to develop its existing business and generate additional revenues.

The Group's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the Group should be able to operate within the level of its current monetary facilities and plans. Further, regardless of whether alternative sources of financing are secured, the controlling shareholder has committed to providing financial support for the foreseeable future, should such support be required.

**IBEX Holdings Limited**  
**Notes to the Consolidated Financial Statements**  
*For the years ended June 30, 2017 and 2016*

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Management therefore have a reasonable expectation that the Group has adequate resources to continue its operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparation of these financial statements.

- 1.2 The Group is comprised of the Holding Company and the following subsidiaries with the location (country of incorporation and principal place of business), nature of business and ownership percentage:

Description	Location	Nature of Business	Ownership %	
			2017	2016
<b><u>Subsidiaries</u></b>				
IBEX Global Limited	Bermuda	Holding company	100%	—
DGS Limited	Bermuda	Holding company	100%	—
Etelequote Limited	Bermuda	Holding company	100%	—
iSky, Inc.	USA	Market research	100%	—

Please refer to note 32 for the indirect subsidiaries of the Holding Company.

**2. BASIS OF PREPARATION**

**2.1 Statement of compliance**

These consolidated and combined financial statements have been prepared in accordance with International Financial Reporting Standards, International Accounting Standards and Interpretations (IFRS), as issued by the International Accounting Standards Board (IASB).

These are the first IFRS financial statements issued by the Group. The Company's deemed transition date to IFRS is July 1, 2015. The principles and requirements for first time adoption of IFRS are set out in IFRS 1. IFRS 1 allows certain exemptions in the application of particular standards to prior periods in order to assist companies with the transition process.

In preparing its first IFRS financial statements, the Company has not provided any reconciliations to IFRS as required by IFRS 1, as the Company has not previously presented any financial statements under any generally accepted accounting standards as no historic financial statements were ever issued by the Company prior to the group reorganisation. For the two entities within the enlarged group who had previously issued IFRS financial statements, the IFRS balances have been combined on the basis previously measured in the assets and liabilities as recorded in those historic IFRS financial statements, with no new elections or exemptions taken under IFRS. Such IFRS financial statements were also presented using the carrying values in the consolidated financial statements of TRGI, which is the highest entity within the common control group for which consolidated financial statements were prepared, including business combination accounting at TRGI level. See Note 2.3 for further discussion of our transition to IFRS.

The principal accounting policies applied in the preparation of the consolidated and combined financial statements are set out below. These policies have been consistently applied to all of the years presented, and in the preparation of the opening IFRS statement of financial position as of July 1, 2015 (the Company's date of transition to IFRS).

These consolidated financial statements do not include any information or disclosures that, not requiring presentation due to their qualitative significance, have been determined as immaterial or of no relevance

**IBEX Holdings Limited**  
**Notes to the Consolidated Financial Statements**  
*For the years ended June 30, 2017 and 2016*

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pursuant to the concepts of *materiality* or *relevance* defined in the IFRS conceptual framework, insofar as the Group's consolidated financial statements, taken as a whole, are concerned. All amounts are presented in thousands of dollars, unless otherwise indicated, rounded to the nearest \$1,000.

**2.2 Basis of accounting and presentation**

Through the Reorganization Transaction, the Holding Company acquired from TRGI 100% ownership of IBEX Global Limited, Etelequote Limited, DGS Limited, iSky Inc. and various subsidiaries (listed above - referred as "the Continuing Business Entities") and issued its shares to TRGI in exchange. Prior to the Reorganization Transaction TRGI controlled each of the Continuing Business Entities by virtue of its controlling interests in the predecessors to IBEX Global Limited, Etelequote Limited and DGS Limited and in iSky Inc., all of which now have become part of the Group, which is controlled by TRGI.

As common control transactions are outside the scope of IFRS 3 'Business Combinations' the management has, as required by IAS 8 'Accounting Policies, Change in Accounting Estimates and Errors', used its judgement in applying an accounting policy which reflects the economic substance of the transaction to account for the Continuing Business Entities.

The management considers the pooling of interest method of accounting to be appropriate to account for the combination of various subsidiaries controlled by TRGI with the Holding Company. As a result, the Holding Company and its subsidiaries are presented as if they have legally been a group of companies for all periods presented. The following accounting principles are applied:

- to ensure the continuation of the predecessor's basis in these financial statements, the assets and liabilities of the Holding Company and its subsidiaries represent the combined values of those assets and liabilities based on the carrying values attributed to the Continuing Business Entities as carried in the books of TRGI. The difference between the consideration transferred and the carrying value of the net assets of the Continuing Business Entities has been taken to equity as a reorganization reserve.
- the consolidated statements of profit or loss and other comprehensive income includes the results of each of the Continuing Business Entities and the Holding Company from the earliest date presented.

These financial statements therefore represent a continuation of the financial statements of the Continuing Business Entities on a combined basis with the Holding Company as the reporting entity, presented on a basis that is consistent with the predecessor consolidated financial statements of TRGI.

**Proforma financial information**

The unaudited pro forma consolidated equity included in the statement of financial position as of June 30, 2017 excludes the senior preferred shares on a pro forma basis as if such shares have been redeemed.

The senior preferred shares are mandatorily redeemable upon the event of a public offering of IBEX Holdings Limited, in the amount of \$20.0 million if such offering is completed by June 6, 2018, or if the proceeds of the offering are less than \$20.0 million then they are redeemable to the extent of the proceeds of the offering.

**2.3 First-time adoption of IFRS**

The financial statements, for the two years ended June 30, 2017, are the first the Group has prepared in accordance with IFRS as issued by the IASB. For periods up to and including the year ended

**IBEX Holdings Limited**  
**Notes to the Consolidated Financial Statements**  
*For the years ended June 30, 2017 and 2016*

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June 30, 2015, the predecessor holding company TRGI prepared its consolidated financial statements in accordance with the approved accounting standards as applicable in Pakistan. Approved accounting standards in Pakistan comprise of such IFRS as have been adopted under local law.

Accordingly, the Group has prepared financial statements that comply with IFRS as issued by the IASB, applicable as at June 30, 2017 as described in note 3 (summary of significant accounting policies). In preparing the financial statements, the Group's opening statement of financial position was prepared as at July 1, 2015, the Group's date of transition to IFRS as issued by the IASB.

Set out below are the applicable mandatory exceptions and exemption elections in IFRS 1 applied in preparing the Company's first financial statements under IFRS:

**2.3.1 IFRS mandatory exceptions:**

The applicable mandatory exceptions in IFRS 1 applied in preparing the Company's first financial statements under IFRS, are as follows:

- Exception for estimates: An entity's estimates in accordance with IFRSs at the date of transition shall be consistent with estimates made for the same date in accordance with its previous assertions made for its internal financial information purposes, unless there is objective evidence that those estimates were in error. The Company has considered such information about historic estimates and has treated the receipt of any such information in the same way as non-adjusting events after the reporting period in accordance with IAS 10 Events after the Reporting Period, thus ensuring IFRS estimates as at July 1, 2015 are consistent with the estimates as at the same date made previously. IFRS estimates as at July 1, 2015 are consistent with the estimates as at the same date made in conformity with approved accounting standards in Pakistan.

The other compulsory exceptions of IFRS 1 have not been applied as these are not relevant to the Company or have not been early adopted:

- Derecognition of financial assets and financial liabilities
- Hedge accounting
- Non-controlling interests
- Embedded derivatives;
- Classification and measurement of financial assets, and
- Government grants

As the Company has not early adopted IFRS 9: Financial Instruments, it has not considered the application of the compulsory exception for classification and measurement of financial assets.

**IBEX Holdings Limited**  
**Notes to the Consolidated Financial Statements**  
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**2.3.2 IFRS optional exemptions:**

The Group has applied the following exemptions as of July 1, 2015:

IFRS 3 'Business Combinations' has not been applied to either acquisitions of subsidiaries that are considered businesses under IFRS, or acquisitions of interests in associates and joint ventures that occurred before July 1, 2015. Use of this exemption means that the local GAAP carrying amounts of assets and liabilities, that are required to be recognized under IFRS, is their deemed cost at the date of the acquisition. After the date of the acquisition, measurement is in accordance with IFRS. Assets and liabilities that do not qualify for recognition under IFRS are excluded from the opening IFRS statement of financial position. The Group did not recognize or exclude any previously recognized amounts as a result of IFRS recognition requirements.

IFRS 1 allows that carrying amount of goodwill based on the previous GAAP be used in the opening IFRS statement of financial position (after adjustments for goodwill impairment and recognition or derecognition of intangible assets). In accordance with IFRS 1, the Group has tested goodwill for impairment at the date of transition to IFRS. As at July 1, 2015, the Group impaired goodwill of iSky Inc. amounting to \$1.7 million.

The Group has not applied IAS 21 retrospectively to fair value adjustments and goodwill from business combinations that occurred before the date of transition to IFRS. Such fair value adjustments and goodwill are treated as assets and liabilities of the parent rather than as assets and liabilities of the acquiree. Therefore, those assets and liabilities are already expressed in the functional currency of the parent or are non-monetary foreign currency items and no further translation differences occur.

The additional optional exemptions from full retrospective application of IFRS were considered by the Company but were not taken.

**2.4 Basis of measurement**

The consolidated financial statements have been prepared on the basis of historical cost convention, except as otherwise disclosed, and assuming that the Group will continue as a going concern, which contemplates the realization of assets and satisfaction of liabilities in the normal course of business.

**2.5 Functional and presentation currency**

As also noted in note 29 (segment information) the Group generates more than 90% of its revenue in the United States of America, which is denominated in United States Dollars. However, the Group conducts transactions in multiple currencies to carry out its business in various other jurisdictions as needed. The consolidated financial statements are presented in United States Dollars (US\$), which is the Holding Company's functional and presentation currency as determined by the Holding Company. Amounts are rounded to the nearest thousand of US\$, unless otherwise stated.

**2.6 Critical Accounting Estimates and Judgements**

These consolidated financial statements are prepared in conformity with IFRS as issued by the IASB, that require management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the periods. Accounting estimates require the use of significant management assumptions and judgments

**IBEX Holdings Limited**  
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as to future events, and the effect of those events cannot be predicted with certainty. The accounting estimates will change as new events occur, more experience is acquired and more information is obtained. We evaluate and update our assumptions and estimates on an ongoing basis and use outside experts to assist in that evaluation when we deem necessary.

In the process of applying the Group's accounting policies, management has made the following estimates and judgments which are significant to the consolidated financial statements:

*Accounting estimates*

– Impairment of intangibles

Goodwill: The calculation for considering the impairment of the carrying amount of goodwill requires a comparison of the recoverable amount of the cash-generating units to which goodwill has been allocated, to the value of goodwill and the associated assets in the consolidated statement of financial position. The calculation of recoverable amount requires an estimate of the future cash flows expected to arise from the cash generating unit. Judgement is applied in selection of a suitable discount rate and terminal value. The key assumptions made in relation to the impairment of goodwill are set out in note 4.

Indefinite Lived Intangibles: The indefinite lived intangibles are tested for impairment by comparing their carrying amount to the estimates of their fair value based on estimates of discounted cash flow method. When the fair value is determined to be less than the carrying amount, the resulting impairment is recognised in the financial statements.

– Depreciation and Amortization: Estimation of useful lives of property and equipment and intangible assets: The Group estimates the useful lives of property and equipment and intangible assets based on the period over which the assets are expected to be available for use. The estimated useful lives of property and equipment and intangible assets are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the assets.

*Judgements*

- Training revenue: In relation to the recognition of training revenue and associated incremental direct expenses the management concluded that 1) as training revenue does not have a standalone value to the customer it should be amortized on a straight-line basis over the life of the client contract 2) as direct expenses relate directly to each customer contract, generated or enhanced resources that will be used in satisfying performance obligations in the future and are expected to be recovered in full should be deferred and amortized on a straight-line basis over the life of the client contract.
- Renewal commission revenue: Management recognizes insurance commission on policies already sold but expected to be renewed and collected in future years. The expected renewal commission revenues are estimated, based on historical policy retention patterns that the group has experienced for each carrier and product, discounted at an appropriate discount rate. The key assumptions made in relation to renewal revenue are set out in note 8.1.

**IBEX Holdings Limited**  
**Notes to the Consolidated Financial Statements**  
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- Staff retirement plans and other employee benefits: The net defined benefit pension scheme assets or liabilities are recognized in the Group's consolidated statement of financial position. The determination of the position requires assumptions to be made regarding future salary increases, mortality, discount rates and inflation. The key assumptions made in relation to the pension plans and share option plans are set out in notes 18.1 and 23, respectively.
- Provision for taxation: The Group is subject to income tax in several jurisdictions and significant judgement is required in determining the provision for income taxes. During the ordinary course of business, there are transactions and calculations for which the ultimate tax determination is uncertain. As a result, the company recognises tax liabilities based on estimates of whether additional taxes and interest will be due. These tax liabilities are recognised when, despite the company's belief that its tax return positions are supportable, the company believes that certain positions are likely to be challenged and may not be fully sustained upon review by tax authorities. The company believes that its accruals for tax liabilities are adequate for all open audit years based on its assessment of many factors including past experience and interpretations of tax law. This assessment relies on estimates and assumptions and may involve a series of complex judgments about future events. To the extent that the final tax outcome of these matters is different than the amounts recorded, such differences will impact income tax expense in the period in which such determination is made.

The key assumptions made in relation to tax provisioning are set out in note 22.

- Legal provisions: The Group reviews outstanding legal cases following developments in the legal proceedings and at each reporting date, in order to assess the need for provisions and disclosures in its financial statements. Among the factors considered in making decisions on provisions are the nature of litigation, claim or assessment, the legal process and potential level of damages in the jurisdiction in which the litigation, claim or assessment has been brought, the progress of the case (including the progress after the date of the financial statements but before those statements are issued), the opinions or views of legal advisers, experience on similar cases and any decision of the Group's management as to how it will respond to the litigation, claim or assessment.
- De-facto control of DGS: De-facto control exists when the size of an entity's own voting rights relative to the size and dispersion of other vote holders, give the entity the practical ability unilaterally to direct the relevant activities of the company. TRGI held between 42.9% and 49.9% of voting rights in DGS during the period from 2013 to 2016, with the remaining voting rights being held by numerous unrelated individual shareholders. Other than Mr. Jeffrey Cox, the chief executive officer of DGS, who held between 12.9% and 19.5% of DGS shares in this time, no other shareholder held more than 8% of DGS shares at any time, and between 22% and 30% of the company's shares were held by shareholders with less than 3% holdings. Management has determined that TRGI retained the practical ability unilaterally to direct the relevant activities of DGS throughout this time, and has included the entity as an entity under common control for the purposes of the business combination approach described in note 2.2.

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**3.1 Basis of consolidation**

The consolidated financial statements present the results of the Holding company and its subsidiaries ("the Group") as if they formed a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

**IBEX Holdings Limited**  
**Notes to the Consolidated Financial Statements**  
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Where the company has control over an investee, it is classified as a subsidiary. The company controls an investee if all three of the following elements are present: power over the investee, exposure to variable returns from the investee, and the ability of the investor to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control.

De-facto control exists in situations where the company has the practical ability to direct the relevant activities of the investee without holding the majority of the voting rights. In determining whether de-facto control exists the company considers all relevant facts and circumstances, including:

- The size of the company's voting rights relative to both the size and dispersion of other parties who hold voting rights
- Substantive potential voting rights held by the company and by other parties
- Other contractual arrangements
- Historic patterns in voting attendance

The consolidated financial statements incorporate the results of business combinations using the acquisition method. In the statement of financial position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognized at their fair values at the acquisition date. The results of acquired operations are included in the consolidated statement of profit or loss and other comprehensive income from the date on which control is obtained. They are deconsolidated from the date on which control ceases.

***Non-controlling interests***

For business combinations completed prior to January 1, 2010, the Group initially recognized any non-controlling interest in the acquiree at the non-controlling interest's proportionate share of the acquiree's net assets. For business combinations completed on or after January 1, 2010, the Group has the choice, on a transaction by transaction basis, to initially recognize any non-controlling interest in the acquiree which is a present ownership interest and entitles its holders to a proportionate share of the entity's net assets in the event of liquidation at either acquisition date fair value or, at the present ownership instruments' proportionate share in the recognized amounts of the acquiree's identifiable net assets. Other components of non-controlling interest such as outstanding share options are generally measured at fair value. The group has not elected to take the option to use fair value in acquisitions completed to date.

From January 1, 2010, the total comprehensive income of non-wholly owned subsidiaries is attributed to owners of the parent and to the non-controlling interests in proportion to their relative ownership interests. Before this date, unfunded losses in such subsidiaries were attributed entirely to the Group.

***Joint arrangements***

The group is a party to a joint arrangement when there is a contractual arrangement that confers joint control over the relevant activities of the arrangement to the group and at least one other party. Joint control is assessed under the same principles as control over subsidiaries.



**IBEX Holdings Limited**  
**Notes to the Consolidated Financial Statements**  
*For the years ended June 30, 2017 and 2016*

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The group classifies its interests in joint arrangements as either:

- (a) *Joint ventures*: where the group has rights to only the net assets of the joint arrangement
- (b) *Joint operations*: where the group has both the rights to assets and obligations for the liabilities of the joint arrangement.

In assessing the classification of interests in joint arrangements, the Group considers:

- The structure of the joint arrangement
- The legal form of joint arrangements structured through a separate vehicle
- The contractual terms of the joint arrangement agreement
- Any other facts and circumstances (including any other contractual arrangements).

Joint ventures are initially recognized in the consolidated statement of financial position at cost. Subsequently joint ventures are accounted for using the equity method, where the Group's share of post-acquisition profits and losses and other comprehensive income is recognized in the consolidated statement of profit and loss and other comprehensive income (except for losses in excess of the Group's investment in the joint ventures unless there is an obligation to make good those losses).

Any premium paid for an investment in a joint venture above the fair value of the Group's share of the identifiable assets, liabilities and contingent liabilities acquired is capitalized and included in the carrying amount of the investment in joint venture. Where there is objective evidence that the investment in a joint venture has been impaired the carrying amount of the investment is tested for impairment in the same way as other non-financial assets.

Unrealized gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in the joint ventures. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of the joint ventures have been changed where necessary to ensure consistency with the policies adopted by the Group.

### **3.2 Property and equipment**

#### **Owned**

Items of property, plant and equipment are initially recognized at cost. The initial cost of an item of property and equipment consists of its purchase price including import duties, taxes and directly attributable costs of bringing the asset to its working condition and location for the intended use.

Depreciation on assets under construction does not commence until they are complete and available for use. Depreciation is provided on all other items of property, plant and equipment so as to write off their carrying value over their expected useful economic lives.

Depreciation on property and equipment is provided using straight line method. A full month's depreciation is charged in the month of addition, and no depreciation is charged in the month of disposal. Rates of depreciation are disclosed in note 6 (property and equipment).

**IBEX Holdings Limited**  
**Notes to the Consolidated Financial Statements**  
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**Leased assets**

Where substantially all of the risks and rewards incidental to ownership of a leased asset have been transferred to the Group (a "finance lease"), the asset is treated as if it had been purchased outright. The amount initially recognized as an asset is the lower of the fair value of the leased property and the present value of the minimum lease payments payable over the term of the lease. The corresponding lease commitment is shown as a liability. Lease payments are analyzed between capital and interest. The interest element is charged to the consolidated statements of profit or loss and other comprehensive income over the period of the lease and is calculated so that it represents a constant proportion of the lease liability. The capital element reduces the balance owed to the lessor.

Where substantially all of the risks and rewards incidental to ownership are not transferred to the Group (an "operating lease"), the total rentals payable under the lease are charged to the consolidated statements of profit or loss and other comprehensive income on a straight-line basis over the lease term.

The aggregate benefit of lease incentives is recognized as a reduction of the rental expense over the lease term on a straight-line basis.

**3.3 Borrowing costs**

Borrowing costs relating to the acquisition, construction or production of a qualifying asset are recognized as part of the cost of that asset. All other borrowing costs are recognized as an expense in the period in which they are incurred.

**3.4 Intangible assets**

**3.4.1 Goodwill**

Goodwill represents the excess of the cost of a business combination over the total acquisition date fair value of the identifiable assets, liabilities and contingent liabilities acquired.

Cost comprises the fair value of assets given, liabilities assumed and equity instruments issued, plus the amount of any non-controlling interests in the capital plus, if the business combination is achieved in stages, the fair value of the existing equity interest in the capital. Contingent consideration is included in cost at its acquisition date fair value and, in the case of contingent consideration classified as a financial liability, remeasured subsequently through the consolidated statement of profit or loss and other comprehensive income. Direct costs of acquisition are expensed immediately.

Goodwill is capitalized as an intangible asset with any impairment in carrying value being charged to the consolidated statements of profit or loss and other comprehensive income. Where the fair value of identifiable assets, liabilities and contingent liabilities exceed the fair value of consideration paid, the excess is credited in full to the consolidated statements of profit or loss and other comprehensive income on the acquisition date.

**3.4.2 Other intangible assets**

Externally acquired intangible assets are initially recognized at cost and subsequently amortized on a straight-line basis over their useful economic lives.

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Intangible assets are recognized on business combinations if they are separable from the acquired entity or give rise to other contractual/legal rights. The amounts ascribed to such intangibles are arrived at by using appropriate valuation techniques (see section related to critical estimates and judgements above).

Expenditure on internally developed products is capitalized if it can be demonstrated that:

- it is technically feasible to develop the product for it to be sold
- adequate resources are available to complete the development
- there is an intention to complete and sell the product
- the Group is able to sell the product
- sale of the product will generate future economic benefits, and
- expenditure on the project can be measured reliably.

Capitalized development costs are amortized over the periods the Group expects to benefit from selling the products developed. The amortization expense is included within the "Depreciation and amortization" in the consolidated statements of profit or loss and other comprehensive income. Development expenditure not satisfying the above criteria and expenditure on the research phase of internal projects is charged out in the consolidated statements of profit or loss and other comprehensive income.

The significant intangibles recognized by the Group, their useful economic lives and the methods used to determine the cost of intangibles acquired in a business combination are as follows:

Intangible asset	Useful	
	economic life	Valuation method
Customer Lists	5-6 Years	Straight line method
Software	4-5 Years	Straight line method

### 3.5 Impairment of non-financial assets

Impairment tests on goodwill and other intangible assets with indefinite useful economic lives are undertaken annually at the financial year end. Other non-financial assets are subject to impairment tests whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Where the carrying value of an asset exceeds its recoverable amount (i.e. the higher of value in use and fair value less costs to sell), the asset is written down accordingly.

Where it is not possible to estimate the recoverable amount of an individual asset, the impairment test is carried out on the smallest group of assets to which it belongs for which there are separately identifiable cash flows; its cash generating units ("CGUs").

Goodwill is allocated on initial recognition to each of the Group's CGUs that are expected to benefit from a business combination that gives rise to the goodwill.

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Impairment charges are included in the consolidated statements of profit or loss and other comprehensive income, except to the extent they reverse gains previously recognized in other comprehensive income. An impairment loss recognized for goodwill is not reversed.

**3.6 Financial instruments**

The Group classifies its financial assets and financial liabilities at initial recognition into the following categories in accordance with IAS 39 "Financial Instruments: Recognition and Measurement".

**3.6.1 Financial assets**

The Group classifies all its financial assets as loans and receivables. The Group has not classified any of its financial assets as held to maturity, fair value or available for sale.

***Loans and receivables***

The Group includes in this category trade and other receivables, deposits, due from related parties and cash and cash equivalents.

These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers (e.g. trade receivables), but also incorporate other types of contractual monetary asset.

They are initially recognized at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortized cost using the effective interest rate method, less provision for impairment.

Impairment provisions are recognized when there is objective evidence (such as significant financial difficulties on the part of the counterparty or default or significant delay in payment) that the Group will be unable to collect all of the amounts due under the terms receivable, the amount of such a provision being the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable. For trade receivables, which are reported net, such provisions are recorded in a separate allowance account with the loss being recognized within administrative expenses in the consolidated statements of profit or loss and other comprehensive income. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

**3.6.2 Financial liabilities**

The Group classifies all its financial liabilities as other financial liabilities.

The Group includes in this category trade and other payables, borrowings, due to related parties and preference shares.

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Trade payables and other short-term monetary liabilities, which are initially recognized at fair value and subsequently carried at amortized cost using the effective interest method. The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest costs over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability or (where appropriate) to the net carrying amount on initial recognition.

Fair value estimates are made at a specific point in time, based on relevant market information and information about the financial instruments. These estimates are subjective in nature and involve uncertainties and matters of significant judgment. Change in assumptions could significantly affect the estimates.

Other financial liabilities are initially recognized at fair value net of any transaction costs directly attributable to the issue of the instrument.

Interest bearing liabilities are subsequently measured at amortized cost using the effective interest rate method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried in the consolidated statement of financial position.

For the purposes of each financial liability, interest expense includes initial transaction costs and any premium payable on redemption, as well as any interest or coupon payable while the liability is outstanding.

**3.7 Share capital and additional paid-in capital**

Financial instruments issued by the Group are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset.

The Group's ordinary shares and convertible preference shares are classified as equity instruments.

The Group's additional paid-in capital is made up of amounts subscribed for ordinary shares in excess of nominal value.

**3.8 Renewal receivables**

Renewal receivables are recognized against insurance commission on policies already sold but expected to be renewed and collected in future years. These expected revenues are estimated based on historical policy retention patterns and discounted at an appropriate discount rate. Renewal receivables are subsequently adjusted when related revenue is realized or in the event where the policies are not renewed.

**3.9 Trade receivables**

Trade receivables are recognized and carried at original invoice amount less an allowance for doubtful accounts.

***Allowance for trade receivables***

Allowance for trade receivables is based on assessment of the collectability of client accounts by considering factors such as historical experience, credit quality, age of the accounts receivable balances, economic conditions that may affect a customer's ability to pay, and expected default frequency rates. Trade receivables are written off at the point when they are considered uncollectible.

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**3.10 Cash and cash equivalents**

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less, and for the purpose of the statement of cash flows - bank overdrafts. Bank overdrafts are shown within loans and borrowings in current liabilities on the consolidated statement of financial position.

**3.11 Revenue recognition**

Revenues are measured at the fair value of the consideration received or receivable, net of discounts and related taxes.

***Customer Management***

Revenues from the Customer Engagement and Customer Expansion divisions of the Customer Management segment are recognized as the services are performed on the basis of the number of billable hours or other contractually agreed metrics. Revenues from inbound and outbound telephonic and internet-based communication services that are customized to the customers' needs are recognized at the contractual rates as services are provided. Revenues for the initial training that occurs upon commencement of a new client contract are deferred over the estimated life of the client program and matched against the associated expenses if that training is billed separately to a client. Training revenues are then recognized on a straight-line basis over the life of the client contract, as it is not considered to have a standalone value to the customer. The related expenses are deferred and charged to the other operating costs on a straight-line basis over the life of the client contract as the related revenues are recognized.

Revenues from the Customer Experience division of the Customer Management segment are recognized over the period of a client's subscription contract on a basis that reflects usage of the product at the client's location. Revenues and expenses related to set-up fees to customize the customer experience solution for client's specific needs are deferred and recognized on a straight-line basis over the period in which the related service delivery is expected to be performed. Revenues related to additional consulting services are recognized as the related services are performed on a per hour basis.

***Customer Acquisition***

Revenues from the Customer Acquisition segment, excluding those from the Medicare insurance agency division, are recognized upon the successful purchase of clients' services as reported to the Group in monthly, semi-monthly or weekly intervals by clients. The data provided by clients to the Group include detail on pricing and product level activations from all channels (i.e. web-portal orders, call center orders, or affiliate or partner orders placed on the Group's behalf) on the basis of which the clients calculate the payments owed to the Group. The payments received are reconciled to the activation data transmitted to the Group by the clients.

Revenues from the Medicare insurance agency division consist of commissions earned primarily from the sale by the Group to senior citizens and other eligible recipients (e.g. people with disabilities) of Medicare private insurance policies offered by leading U.S. insurance carriers. The commissions paid by the carriers are dependent on the type of Medicare policy sold, not on the carrier underwriting the policy. The key product types marketed are: Medicare Advantage, Medicare Supplement (offering supplemental coverage), and Medicare Part D (offering prescription drug coverage in addition to core medical services). Commission

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rates are set by Centers for Medicare & Medicaid Services ("CMS"). CMS is a U.S. federal agency which administers Medicare programs, and also acts as the consumer watchdog and advocacy group for Medicare plan beneficiaries. Once the carrier accepts a new insured to whom the division has marketed a policy, a carrier confirmation number is generated for the policy and a sale is made. The carrier then pays a commission to the Group for the first full year (initial year) of the policy at the rate set by CMS. Commission revenue is recognized in the month in which the policy becomes effective and includes the first-year commission as well as renewal commission revenues that are highly probable to be earned in future years, discounted at an appropriate discount rate. The expected renewal commission revenues are based on historical policy retention patterns that the Group has experienced for each carrier and product. Renewal receivables represent future revenue that will flow to the entity in the event that the policies continue to renew. However the insured can cancel a policy, beyond which the subsidiary would no longer receive renewal commissions. Therefore, whether the commissions will ultimately be paid depends on the actions (or inaction) of the insured. Although the amount that has been recorded does represent management's determination of the amount that will be received, the actual amounts may be slightly different based on whether future renewal retention rates remain consistent with historical rates that have been used. First year commission amounts are subject to forfeiture in the event that an insured who has prepaid his or her premium for a future period of coverage subsequently cancels his or her policy before the completion of that period to switch to another plan. Under the general agency agreements with the carriers, any such policy "returns" are charged back. The Group estimates and records an allowance for these charge-backs based on historical "return" rates and records revenues net of the estimated charge-backs. Policy returns are typically reported by the carriers one to two months after the commission is reported and paid to the Group by the carrier. A true-up of the estimated and actual charge-backs is performed after the conclusion of the initial policy year, and revenues are adjusted for the current month. Changes in policy retention rates would result in adjustments to the amount of renewal commission revenue recognized at the date a policy is sold and the allowance recorded for the chargebacks.

Revenues from the Education business are recognized on a monthly basis at an agreed rate per successful lead, click and data delivered to the institution during the month, net of an allowance for returns / disqualifications or duplicates. The leads are sourced primarily through the business unit's proprietary online web-portal and affiliate partnerships.

There are no material arrangements where products and services are sold together. In addition, training related revenue is recognized as the related service is provided, which is typically on a straight line basis over the term of the contract.

### **3.12 Provisions**

A provision is recognized in the statement of financial position when the Group has a legal or constructive obligation as a result of a past event; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The Group has recognized provisions against legal disputes. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense. Provisions are reviewed at each statement of financial position date and adjusted to reflect the current best estimate.

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**3.13 Retirement benefits**

**Defined contribution pension schemes**

Contributions to defined contribution pension schemes are charged to the consolidated statement of profit or loss and other comprehensive income in the year to which they relate.

***United States based subsidiaries***

The Group's United States ("US") based subsidiaries have qualified defined contribution plans. Employees who meet certain eligibility requirements, as defined, are able to contribute up to federal annual maximums. The Retirement Plan provides for company matching contributions of 25.0% of the first 6.0% of employee contributions to the Retirement Plan, which vests 25.0% per year over a four-year period.

***TRG Marketing Solutions Limited***

This subsidiary operates a defined contribution pension with a third party. Under this scheme, TRG Marketing Solutions Limited makes contributions for employees who have not opted out of the voluntary pension scheme.

***Virtual World (Private) Limited and IBEX Global Solutions (Private) Limited***

Virtual World (Private) Limited and IBEX Global Solutions (Private) Limited operate a defined contribution plan (i.e. recognized provident fund scheme) for all its permanent employees. Equal monthly contributions at the rate of 6.5% of the basic salary (Virtual World (Private) Limited) and 6.5% of the gross salary (IBEX Global Solutions (Private) Limited) are made to the Provident Fund (the Fund) both by the subsidiaries and the employees. The assets of the Fund are held separately under the control of trustees for such fund. Contributions made by the subsidiaries are charged to the consolidated statement of profit or loss and other comprehensive income.

**Defined benefit schemes**

Defined benefit scheme surpluses and deficits are measured at:

- The fair value of plan assets at the reporting date; less
- Plan liabilities calculated using the projected unit credit method discounted to its present value using yields available on high quality corporate bonds that have maturity dates approximating to the terms of the liabilities and are denominated in the same currency as the post-employment benefit obligations; less
- The effect of minimum funding requirements agreed with scheme trustees.

Remeasurements of the net defined obligation are recognized directly within equity. The remeasurements include:

- Actuarial gains and losses
- Return on plan assets (interest exclusive)



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- Any asset ceiling effects (interest exclusive).

Service costs are recognized in the consolidated statement of profit or loss and other comprehensive income, and include current and past service costs as well as gains and losses on curtailments.

Net interest expense / income is recognized in the consolidated statement of profit or loss and other comprehensive income, and is calculated by applying the discount rate used to measure the defined benefit obligation / asset at the beginning of the annual period to the balance of the net defined benefit obligation / asset, considering the effects of contributions and benefit payments during the period.

Gains or losses arising from changes to scheme benefits or scheme curtailment are recognized immediately in the consolidated statement of profit or loss and other comprehensive income. Settlements of defined benefit schemes are recognized in the period in which the settlement occurs.

IBEX Philippines, Inc. and IBEX Global Solutions (Philippines) Inc. operate an unfunded defined benefit scheme.

Under the plan, pension costs are actuarially determined using the projected unit credit method. This method considers each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation. Gains or losses on the curtailment or settlement of pension benefits are recognized when the curtailment or settlement occurs. All actuarial gains and losses are recognized in the year in which they arise, with re-measurements presented within other comprehensive income. The net interest cost is derived by applying a single discount rate to the net surplus or deficit of the fund.

**3.14 Share-based payments**

Where equity settled share options are awarded to employees, the fair value of the options at the date of grant is charged to the consolidated statement of profit or loss and other comprehensive income over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each reporting date so that, ultimately, the cumulative amount recognized over the vesting period is based on the number of options that eventually vest. Non-vesting conditions and market vesting conditions, if any, are factored into the fair value of the options granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether the market vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition or where a non-vesting condition is not satisfied. Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to the consolidated statement of profit or loss and other comprehensive income over the remaining vesting period.

The Group also operates a Phantom share option scheme (a cash settled share-based payment). An option pricing model (Black Scholes) is used to measure the Group's liability at each reporting date, taking into account the terms and conditions the extent to which employees have rendered service. Movements in the liability (other than cash payments) are recognized in the consolidated statement of profit or loss and other comprehensive income. The details of the share-based compensation plans are given in note 23 (Share option plans) to these consolidated financial statements.

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**3.15 Income Taxes**

**Current taxation**

The charge for current taxation is based on taxable income at the current rates of taxation of the respective countries of incorporation after taking into account applicable tax credits, rebates and exemptions available, if any.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts management expects to pay to the tax authorities. Any such provisions are based on estimates and are subject to changing facts and circumstances considering the progress of ongoing audits, case law and new legislation.

**Deferred taxation**

Deferred tax assets and liabilities are recognized where the carrying amount of an asset or liability in the consolidated statement of financial position differs from its tax base, except for differences arising on:

- The initial recognition of goodwill
- The initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting or taxable profit, and
- Investments in subsidiaries and jointly controlled entities where the Group is able to control the timing of the reversal of the difference and it is probable that the difference will not reverse in the foreseeable future.

Recognition of deferred tax assets is restricted to those instances where it is probable that taxable profit will be available against which the difference can be utilized.

In respect of deferred tax assets arising from investment property measured at fair value, the presumption that recovery will be through sale rather than use has not been rebutted.

The amount of the asset or liability is determined using tax rates that have been enacted or substantively enacted by the reporting date and are expected to apply when the deferred tax liabilities / assets are settled / recovered.

Deferred tax assets and liabilities are offset when the Group has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority on either:

- The same taxable group company, or
- Different group entities which intend either to settle current tax assets and liabilities on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax assets or liabilities are expected to be settled or recovered.

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**3.16 Foreign currency**

**Foreign currency translation**

Transactions entered into by Group entities in a currency other than the currency of the primary economic environment in which they operate (their "functional currency") are recorded at the rates ruling when the transactions occur. Foreign currency monetary assets and liabilities are translated at the rates ruling at the reporting date. Exchange differences arising on the retranslation of unsettled monetary assets and liabilities are recognized immediately in the consolidated statement of profit or loss and other comprehensive income. The net exchange losses amounted to \$0.4 (June 30, 2016: \$0.09) million for the year ended June 30, 2017.

On consolidation, the results of overseas operations are translated into dollars at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations, including goodwill arising on the acquisition of those operations, are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognized in other comprehensive income and accumulated in the foreign exchange reserve. Exchange differences recognized profit or loss in Group entities' separate financial statements on the translation of long-term monetary items forming part of the Group's net investment in the overseas operation concerned are reclassified to other comprehensive income and accumulated in the foreign exchange reserve on consolidation.

On disposal of a foreign operation, the cumulative exchange differences recognized in the foreign exchange reserve relating to that operation up to the date of disposal are transferred to the consolidated statement of profit or loss and other comprehensive income as part of the profit or loss on disposal.

**3.17 Offsetting of financial assets and financial liabilities**

Financial assets and financial liabilities are offset when the entity has a legally enforceable right to offset the recognized amounts and intends either to settle these on net basis or to realize the assets and settle the liabilities simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in normal course of business and in the event of default, insolvency or winding up of the entity or the counterparties.

**3.18 Dividend**

Dividends declared subsequent to the balance sheet date are considered as non-adjusting events and are recognized in the consolidated financial statements in the year in which such dividends are approved / transfers are made.

**3.19 Standards, interpretations and amendments not yet effective**

The following standards, amendments and interpretations of approved accounting standards will be effective for accounting periods beginning on or after July 1, 2017 that the Company has decided not to adopt early:

- IFRS 9 'Financial Instruments' effective for annual periods beginning on or after January 1, 2018, introduces a new approach to the classification of financial assets, which is driven by the business model in which the asset is held and its cash flow characteristics. It also introduced a single "expected

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credit loss" impairment model for the measurement of financial assets and a new model for hedge accounting that aligns the accounting treatment with the risk management activities of an entity, in addition enhanced disclosures will provide better information about risk management and the effect of hedge accounting on the financial statements. Management identified that adoption of IFRS 9 will significantly impact its impairment methodology. The impairment model under this standard reflects expected credit losses, as opposed to incurred credit losses. Under the impairment approach of this standard, it is no longer necessary for a credit event to have occurred before credit losses are recognized. Instead, the Company needs to account for expected credit losses and changes in those expected credit losses.

- IFRS 16 'Leases' effective for annual periods beginning on or after January 1, 2019, specifies how an IFRS reporter will recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17. Management identified that this standard will significantly affect the Group's financial position but has not yet quantified the effects of the adoption of the standard. The on-balance sheet treatment will result in the grossing up of the balance sheet due to right-of-use assets being recognized with offsetting liabilities. This standard will also have an effect on the Group's non-IFRS financial measures such as adjusted EBITDA and net debt.
- IFRS 15 'Revenue from Contracts from Customers' effective for annual periods beginning on or after January 1, 2018, requires entities to recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This core principle is achieved through a five step methodology that is required to be applied to all contracts with customers. IFRS 15 will also result in enhanced disclosures about revenue, provide guidance for transactions that were not previously addressed comprehensively and improve guidance for multiple-element arrangements. During 2017, the Company continued its evaluation of IFRS 15, including the expected impact on its business processes, systems and controls, and potential differences in the timing and/or method of revenue recognition for its contracts. The Company expects to complete its assessment during 2018 and adopt IFRS 15 in its Consolidated Financial Statements beginning in July 1, 2018.
- Amendments to IFRS 2 'Share-based Payment' clarify the accounting for share-based payments in return for goods or services and are effective for annual periods beginning on or after January 1, 2018. The amendments cover three accounting areas; (a) measurement of cash-settled share-based payments; (b) classification of share-based payments settled net of tax withholdings; and (c) accounting for a modification of a share-based payment from cash-settled to equity-settled. The new requirements could affect the classification and/or measurement of these arrangements and potentially the timing and amount of expense recognized for new and outstanding awards. The management believes that this standard will not have significant impact as most of Group's share-based payment plans are equity-settled.
- Amendments to IAS 12 'Income Taxes' are effective for annual periods beginning on or after January 1, 2017. The amendments clarify that the existence of a deductible temporary difference depends solely on a comparison of the carrying amount of an asset and its tax base at the end of the reporting period, and is not affected by possible future changes in the carrying amount or expected manner of recovery of the asset. The amendments further clarify that when calculating deferred tax asset in

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respect of insufficient taxable temporary differences, the future taxable profit excludes tax deductions resulting from the reversal of those deductible temporary differences. This amendment will not significantly affect the Company as it is only a clarification on previously issued standard.

- Amendments to IAS 7 'Statement of Cash Flows' are part of IASB's broader disclosure initiative and are effective for annual periods beginning on or after January 1, 2017. The amendments require disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flow and non-cash changes. This amendment will not significantly affect the Company as this only requires additional disclosures to the financial statements as applicable.
- IFRIC 23 'Uncertainty over Income Tax Treatments' effective for annual periods beginning on or after 1 January 2019, clarifies the accounting for income tax when there is uncertainty over income tax treatments under IAS 12. The interpretation requires the uncertainty over tax treatment be reflected in the measurement of current and deferred tax. This amendment will not significantly affect the Company as it is only a clarification on previously issued standard.

**4. GOODWILL**

	June 30, 2017	June 30, 2016	July 1, 2015
	(US\$'000)		
Goodwill as at beginning of the year	11,886	13,258	13,258
Goodwill acquired during the year	—	54	—
Goodwill impaired during the year	(54)	(1,426)	—
Goodwill as at end of the year	<u>11,832</u>	<u>11,886</u>	<u>13,258</u>

A cash-generating unit is the smallest group of assets that independently generates cash flow and whose cash flow is largely independent of the cash flows generated by other assets. Goodwill arose on various historical acquisitions made by predecessor companies and at June 30, 2017, June 30, 2016 and July 1, 2015, the carrying amount of goodwill is allocated as follows:

	June 30, 2017	June 30, 2016	July 1, 2015
	(US\$'000)		
IBEX (Customer Management segment)	11,626	11,626	11,626
DGS (Customer Acquisition segment)	206	206	206
Telsat (Customer Acquisition segment)	—	54	—
DGS-EDU (Customer Acquisition segment)	—	—	1,426
	<u>11,832</u>	<u>11,886</u>	<u>13,258</u>

During the year ended June 30, 2017, a DGS cash generating unit recorded \$54,000 impairment of goodwill recorded in other operating costs in respect of goodwill recognized on the acquisition of a facility which was closed for operations in December 31, 2016. During the year ended June 30, 2016, the Group recognized a \$1.4 million impairment charge due to the write-down of DGS EDU, a previously acquired business relating to on-line education, that was determined to have a recoverable amount of \$0.8 million.

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**Testing for impairment of goodwill**

**Key assumptions applied in impairment testing**

The recoverable amounts of all the CGUs have been determined from value in use calculations based on cash flow projections from formally approved budgets covering a five year period from 2018 to 2022. The first year of the projections is based on detailed budgets prepared by management as part of the Group's performance and control procedures. Subsequent years are based on extrapolations using the key assumptions listed below which are management approved projections. The discount rate applied to cash flow projections beyond five-years is extrapolated using a terminal growth rate which represents the expected long-term growth rate of the Business Process Outsourcing ("BPO") sector.

The following rates were used by the Group for the years ended June 30, 2017 and 2016:

	Revenue growth rate	Gross Margin	Discount rate	Terminal growth rate
	%	%	%	%
June 30, 2017	11	21	9.5	5
June 30, 2016	11	21	9.5	5

The calculation of value in use for the business operations is most sensitive to changes in the following assumptions:

**Revenue growth**

Revenue growth assumptions have been derived from projections prepared by the management. Management is of the view that these assumptions are reasonable considering current market conditions.

**Cost of sales and gross margin**

Cost of sales has been projected on the basis of multiple strategies planned by management to ensure profitable operations. These strategies include cost minimization mechanisms such as offshore migration of labor, centralization of support activities and increasing efficiency of service delivery, resulting in improved gross margins over the forecasted period.

**Discount rate**

Discount rates reflect management estimates of the rate of return required for the business and are calculated after taking into account the prevailing risk-free rate, industry risk and business risk. Discount rates are calculated using the weighted average cost of capital.

Management does not believe that a reasonably possible change in any of the key assumptions would result in any further impairment of goodwill.

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## 5. OTHER INTANGIBLE ASSETS

	Patents	Trademarks	Customer lists	Software	Total
	(US\$'000)				
<b>Cost</b>					
At July 1, 2016	541	371	2,742	17,029	20,683
Additions	—	—	—	892	892
Foreign exchange movements	—	—	—	—	—
At June 30, 2017	<u>541</u>	<u>371</u>	<u>2,742</u>	<u>17,921</u>	<u>21,575</u>
<b>Accumulated amortization</b>					
At July 1, 2016	196	—	1,668	9,691	11,555
Amortization charge for the year	—	—	282	3,771	4,053
At June 30, 2017	<u>196</u>	<u>—</u>	<u>1,950</u>	<u>13,462</u>	<u>15,608</u>
<b>Net book value</b>					
At June 30, 2017	<u>345</u>	<u>371</u>	<u>792</u>	<u>4,459</u>	<u>5,967</u>
At June 30, 2016	<u>345</u>	<u>371</u>	<u>1,074</u>	<u>7,338</u>	<u>9,128</u>
<b>Cost</b>					
At July 1, 2015	541	371	2,375	15,657	18,944
Additions	—	—	—	1,366	1,366
Acquired through business combinations	—	—	367	—	367
Foreign exchange movements	—	—	—	6	6
At June 30, 2016	<u>541</u>	<u>371</u>	<u>2,742</u>	<u>17,029</u>	<u>20,683</u>
<b>Accumulated amortization</b>					
At July 1, 2015	196	—	1,406	5,997	7,599
Amortization charge for the year	—	—	262	3,694	3,956
At June 30, 2016	<u>196</u>	<u>—</u>	<u>1,668</u>	<u>9,691</u>	<u>11,555</u>
<b>Net book value</b>					
At June 30, 2016	<u>345</u>	<u>371</u>	<u>1,074</u>	<u>7,338</u>	<u>9,128</u>
At June 30, 2015	<u>345</u>	<u>371</u>	<u>969</u>	<u>9,660</u>	<u>11,345</u>
<b>Cost</b>					
At July 1, 2014	541	371	2,375	8,169	11,456
Additions	—	—	—	7,490	7,490
Foreign exchange movements	—	—	—	(2)	(2)
At June 30, 2015	<u>541</u>	<u>371</u>	<u>2,375</u>	<u>15,657</u>	<u>18,944</u>
<b>Accumulated amortization</b>					
At July 1, 2014	196	—	1,113	3,249	4,558
Amortization charge for the year	—	—	293	2,748	3,041
At June 30, 2015	<u>196</u>	<u>—</u>	<u>1,406</u>	<u>5,997</u>	<u>7,599</u>
<b>Net book value</b>					
At June 30, 2015	<u>345</u>	<u>371</u>	<u>969</u>	<u>9,660</u>	<u>11,345</u>
Amortization Rate			<u>16.67% to 50.00%</u>	<u>20.00% to 33.33%</u>	
Estimated remaining useful life					
Customer Lists			5-6 Years	5-6 Years	
Software			4-5 Years	4-5 Years	

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- 5.1 Net book value of software licenses held under finance lease is \$0.7 million (June 30, 2016: \$0.9 million) as of June 30, 2017.
- 5.2 Software includes \$2.1 (June 30, 2016: \$2.1) million capitalized for an internally generated software tool titled as "Clearview". Management has assessed the useful life of Clearview to be five years.
- 5.3 Trademarks are capitalized at cost of acquisition and are not amortized but are tested for impairment annually. Trademarks have an indefinite life on the grounds of the proven longevity of the trademarks and the Group's commitment to maintaining those trademarks.
- 5.4 Estimated amortization expense for the next five years is: \$2.6 million in 2018, \$1.9 million in 2019, \$1.8 million in 2020, \$1.1 million in 2021 and \$1.1 million in 2022.



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**6. PROPERTY AND EQUIPMENT**

	Freehold Buildings	Leasehold improvements	Furniture, fixture and office equipment	Tele-communications and computer equipment (US\$'000)	Vehicles	Assets under construction ("CWIP")	Total
<b>Cost</b>							
At July 1, 2016	263	11,320	16,303	31,055	273	951	60,165
Additions	323	3,268	1,048	4,899	16	614	10,168
Transfer from CWIP	—	720	72	—	—	(792)	—
Foreign exchange movements	—	(112)	(456)	(160)	(3)	—	(731)
Disposal	(48)	(27)	(98)	(4)	—	—	(177)
At June 30, 2017	<u>538</u>	<u>15,169</u>	<u>16,869</u>	<u>35,790</u>	<u>286</u>	<u>773</u>	<u>69,425</u>
<b>Accumulated depreciation</b>							
At July 1, 2016	65	6,690	6,784	23,068	225	—	36,832
Charge for the year	75	1,946	2,663	5,076	19	—	9,779
At June 30, 2017	<u>140</u>	<u>8,636</u>	<u>9,447</u>	<u>28,144</u>	<u>244</u>	<u>—</u>	<u>46,611</u>
<b>Net book value</b>							
At June 30, 2017	<u>398</u>	<u>6,533</u>	<u>7,422</u>	<u>7,646</u>	<u>42</u>	<u>773</u>	<u>22,814</u>
At June 30, 2016	<u>198</u>	<u>4,630</u>	<u>9,519</u>	<u>7,987</u>	<u>48</u>	<u>951</u>	<u>23,333</u>
<b>Cost</b>							
At July 1, 2015	280	8,736	11,207	25,774	276	11	46,284
Additions	—	2,687	5,390	5,462	—	940	14,479
Foreign exchange movements	(17)	(103)	(183)	(115)	(3)	—	(421)
Disposal	—	—	(111)	(66)	—	—	(177)
At June 30, 2016	<u>263</u>	<u>11,320</u>	<u>16,303</u>	<u>31,055</u>	<u>273</u>	<u>951</u>	<u>60,165</u>
<b>Accumulated depreciation</b>							
At July 1, 2015	39	5,374	4,275	18,424	206	—	28,318
Charge for the year	26	1,316	2,509	4,644	19	—	8,514
At June 30, 2016	<u>65</u>	<u>6,690</u>	<u>6,784</u>	<u>23,068</u>	<u>225</u>	<u>—</u>	<u>36,832</u>
<b>Net book value</b>							
At June 30, 2016	<u>198</u>	<u>4,630</u>	<u>9,519</u>	<u>7,987</u>	<u>48</u>	<u>951</u>	<u>23,333</u>
At June 30, 2015	<u>241</u>	<u>3,362</u>	<u>6,932</u>	<u>7,350</u>	<u>70</u>	<u>11</u>	<u>17,966</u>
<b>Cost</b>							
At July 1, 2014	207	7,268	8,705	20,846	268	261	37,555
Additions	—	1,591	2,562	4,970	21	—	9,144
Transfer from CWIP	73	—	139	38	—	(250)	—
Foreign exchange movements	—	(123)	(199)	(77)	(5)	—	(404)
Disposal	—	—	—	(3)	(8)	—	(11)
At June 30, 2015	<u>280</u>	<u>8,736</u>	<u>11,207</u>	<u>25,774</u>	<u>276</u>	<u>11</u>	<u>46,284</u>
<b>Accumulated depreciation</b>							
At July 1, 2014	12	4,152	2,644	14,777	186	—	21,771
Charge for the year	27	1,222	1,631	3,647	20	—	6,547
At June 30, 2015	<u>39</u>	<u>5,374</u>	<u>4,275</u>	<u>18,424</u>	<u>206</u>	<u>—</u>	<u>28,318</u>
<b>Net book value</b>							
At June 30, 2015	<u>241</u>	<u>3,362</u>	<u>6,932</u>	<u>7,350</u>	<u>70</u>	<u>11</u>	<u>17,966</u>
Depreciation rate	<u>10.00%</u>	<u>20% to 33.33%</u>	<u>20% to 33.33%</u>	<u>33.33%</u>	<u>20.00%</u>		

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6.1 Net book value of assets held under finance lease is as follows:

	Freehold Buildings	Leasehold improvements	Furniture, fixture and office equipment	Tele- communications and computer equipment	Vehicles	Assets under construction ("CWIP")	Total
	(US\$'000)						
June 30, 2017	—	1,019	4,492	2,183	25	—	7,719
June 30, 2016	—	1,962	6,581	3,316	27	—	11,886

6.2 Security Interest on Property and Equipment

The net book value of property and equipment at June 30, 2017 and 2016 includes \$11.0 million and \$15.0 million, respectively, of assets that are pledged as security for liabilities.

7. INVESTMENT IN JOINT VENTURE

On January 1, 2016, one of the subsidiaries of the Group ("the Subsidiary") made a 47.5% investment in a Joint Venture DGS Lakeball LLC, also known as Clear Connect, with Innovative Business Solutions (IBS) with a purpose to procure and sell commercial leads for the Subsidiary's customers. The country of incorporation and principle place of business of DGS Lakeball LLC is the United States of America. The investment is accounted for under the equity method of accounting. The market value of the investment amounts to \$0.29 (June 30, 2016: \$0.29) million. The details of the investment are as follows:

	June 30, 2017	June 30, 2016
	(US\$'000)	
Opening balance	288	—
Investment made during the year	—	440
Share of profit / (loss) for the year	6	(152)
Ending balance	294	288

Revenues from the Joint Venture during the year ended June 30, 2017 amounted to \$0.7 (June 30, 2016: \$0.2) million and the net profit of \$0.01 million (June 30, 2016: net loss \$0.08 million excluding pre-operating expenses of \$0.2 million).

Summarized financial information of equity accounted Joint Venture from the financial statements of DGS Lakeball is as follows:

	For the year ended June 30, 2017	For the year ended June 30, 2016
	(US\$'000)	
Revenue	672	170
Profit / (loss) after tax	12	(321)
Other comprehensive income	—	—
Total comprehensive income / (loss)	12	(321)

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**8. RENEWAL RECEIVABLES**

	June 30, 2017	June 30, 2016	July 1, 2015
	(US\$'000)		
	Note		
Long term portion	13,569	5,241	—
Current portion	5,309	2,051	—
8.1	<u>18,878</u>	<u>7,292</u>	<u>—</u>

8.1 This represents insurance commission on policies already sold but expected to be renewed and collected in future years. The expected renewal commission revenues are estimated based on historical policy retention patterns and discounted at appropriate discount rate ranging from 2.17% to 5.75%. The Company arrives at its estimate of the Renewal Receivable based on the future renewal revenue expected to be received from the policies it has sold in the current year. The Company arrives at these estimates based on (a) the contracted rates with the insurance carriers whose products it sells, and (b) the number of policies sold for each carrier and product that are expected to renew in each future year of the forecast period. The expectation of the future retention rates is based on the historical retention rates the Company has experienced in its history for that particular carrier and product. Please refer to notes 2.6 and 3.11 for the revenue estimates and its recognition respectively.

**9. OTHER ASSETS**

	June 30, 2017	June 30, 2016	July 1, 2015
	(US\$'000)		
	Note		
Deposits	1,304	2,346	1,218
Prepayments	2,687	2,099	2,383
Other	790	53	933
	<u>4,781</u>	<u>4,498</u>	<u>4,534</u>

9.1 These include prepayments for call centre optimization services which are amortized over 120 months.

**10. TRADE AND OTHER RECEIVABLES**

	June 30, 2017	June 30, 2016	July 1, 2015
	(US\$'000)		
	Note		
<b>Trade receivables</b>			
Trade receivables - gross	51,248	56,932	41,582
Less: allowance for trade receivables	(3,658)	(2,489)	(526)
Trade receivables - net	47,590	54,443	41,056
<b>Other receivables</b>			
Prepayments and other receivables	10,354	8,741	5,519
Deposits	505	754	421
	<u>10,859</u>	<u>9,495</u>	<u>5,940</u>
	<u>58,449</u>	<u>63,938</u>	<u>46,996</u>

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**10.1 Allowance for trade receivables**

Opening balance	2,489	526	374
Foreign exchange movements	(2)	(15)	(23)
Bad debt expense	1,233	3,517	184
Trade receivables written off against allowance	(62)	(1,539)	(9)
Closing balance	<u>3,658</u>	<u>2,489</u>	<u>526</u>

**11. DEFERRED EXPENSES**

Revenue for the initial training that occurs upon commencement of a new client contract is deferred over the estimated life of the client program and matched against the associated expenses if that training is billed separately to a client. Training revenue is then recognised on a straight-line basis over the life of the client contract as it is not considered to have a standalone value to the customer. The related incremental direct expenses are deferred and charged to other operating expenses on a straight-line basis over the life of the client contract as the related revenue is recognised. These incremental direct expenses relate directly to each contract, generate or enhance resources that will be used in satisfying performance obligations in the future and are expected to be recovered in full.

**12. CASH AND CASH EQUIVALENTS**

	June 30, 2017	June 30, 2016	July 1, 2015
	(US\$'000)		
Balances with banks in:			
- current accounts	20,131	8,441	5,262
- deposit accounts (with a maturity of 3 months or less at inception)	<u>1,107</u>	<u>1,008</u>	<u>530</u>
	21,238	9,449	5,792
Cash in hand	83	2	11
	<u>21,321</u>	<u>9,451</u>	<u>5,803</u>

**13. DEFERRED REVENUE**

	June 30, 2017	June 30, 2016	July 1, 2015
	(US\$'000)		
Deferred revenue	7,425	9,542	6,568
Less: current portion of deferred revenue	<u>(4,922)</u>	<u>(8,166)</u>	<u>(5,372)</u>
	<u>2,503</u>	<u>1,376</u>	<u>1,196</u>

13.1 Please refer to note 11.

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**14. SHARE CAPITAL AND OTHER RESERVES**

**14.1 Authorized share capital**

The Holding Company's authorized share capital is \$12,000 divided into 4,749,861 preference shares and 115,250,139 common shares of par value \$0.0001 each.

**14.2 Issued, subscribed and paid-in share capital**

The Holding Company's issued, subscribed and paid-in share capital consists of preference shares of \$475 divided into 4,749,861 preference shares of par value \$0.0001 each and share capital of \$775 divided into 7,750,141 common shares of par value \$0.0001 each. The amount of additional paid-in capital is \$96.218 million.

During the year ended June 30, 2017, the Holding Company issued a total of 11,606,000 common shares of par value \$0.0001 each to TRGI in return for its investments in the Continuing Business Entities and \$190,000 in cash. The investments were transferred from TRGI at their carrying values totaling \$87,375,616. These share issues resulted in the recognition of additional paid-in capital totaling \$87,565,616, and as noted below 4,749,861 of these common shares were subsequently redesignated into preference shares with the same par value of \$0.0001 per share.

The Holding Company further issued 360,184 common shares to Mr. Jeffrey Cox, as further disclosed in note 26.1, in return for his equity interest in DGS Limited, resulting in the recognition of additional paid-in capital of \$2,887,813; and 533,818 common shares to Mr. Anthony Solazzo, in return for his equity interest in e-Telequote Plc, resulting in the recognition of additional paid-in capital of \$5,765,195.

On June 20, 2017, the Holding Company redesignated its 4,749,861 common shares held by TRGI into preference shares at a price of US\$ 0.0001 per share. The preference shares shall automatically convert into common shares upon the consummation of a qualified public offering, with such conversion only being affected at the time and subject to the closing of the sale of securities by the Holding Company pursuant to such qualified public offering. Each convertible preference share shall be converted into one common share.

The holders of convertible preference shares shall be entitled to vote, together with the holders of common shares, as a single class on all matters submitted to the shareholders for a vote.

The Holding Company shall not declare nor pay any dividends or make any distribution upon common shares, until and unless the Holding Company has declared and paid a dividend of at least \$2.00 with respect to each convertible preference share. Preference shares thereafter participate with any dividends declared for common shares.

On any voluntary or involuntary liquidation, dissolution or winding-up of the Holding Company, holders of convertible preference shares shall be entitled to receive, proportionately according to the number of convertible preference shares held, those assets available for distribution to the members.

During the year, 2,007,498 shares of the Holding Company's unissued and authorized common shares were reserved for the issuance of incentive awards granted under the "2017 Stock Plan". During the year no grants were made under this plan.

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14.3 The nature and purpose of other reserves within equity is described below:

**Reorganization reserve**

Reorganization reserve consists of differences between the combined net asset values of subsidiaries from their separate financial statements and recognized share capital, under the pooling of interest method.

**Share option plans**

Weighted average cost of shares kept under the share option plans that pertain to the Group's various subsidiaries.

**Foreign currency translation reserve**

Gain / losses arising on retranslating the net assets of overseas operations into presentation currency.

**Actuarial gain on defined benefit scheme**

Actuarial gain or losses represents adjustments to actuarial assumptions used to value defined benefit pension scheme obligations.

14.4 **Senior preferred shares**

	<i>Note</i>	June 30, 2017	June 30, 2016
(US\$'000)			
17Capital Fund	14.4.1	20,000	—

14.4.1 At June 30, 2017, in consideration of the cancellation of \$20.0 million of the indebtedness under the loan note instrument referred to in note 17 below, the Group's subsidiary Etelequote Limited (the Subsidiary) entered into a senior preferred shares subscription agreement ("Agreement") with a consortium of investors, comprised of 17Capital Fund 3, L.P. and 17Capital Fund 3 Luxembourg S.C.Sp. ("Subscribers") providing for the purchase by the Subscribers of 1,538,462 non-convertible Senior Preferred Shares.

The holder of Senior Preferred Shares will not be entitled to vote at any meeting of the Subsidiary's shareholders, and Senior Preferred Shares shall not be convertible into any other securities or rights. The Senior Preferred Shares shall not be entitled to any dividends or other distributions by the Subsidiary other than the entitlement to the redemption amount.

The Subsidiary has an option to redeem wholly or partially, the outstanding number of these shares. This option may be exercised at any time based on the Subsidiary's discretion.

These shares will also be mandatorily redeemable upon the event of a public offering of IBEX Holdings Limited, to the extent of the proceeds of such an offering.

Upon a Liquidation Event (which is defined as any liquidation, dissolution, bankruptcy or winding up of the Subsidiary whether voluntary or involuntary but not on redemption or purchase by the Subsidiary of any Common Shares), each holder of Senior Preferred Shares shall be entitled to receive from the surplus assets of the Subsidiary remaining after the payment of its liabilities, prior and in preference to any

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distribution or payment made of any of the assets of the Subsidiary to holders of the Subsidiary's Junior Securities (other securities of the subsidiary) by reason of their ownership thereof, an amount equal to the aggregate per share redemption price in respect of all of the senior preferred shares then held by such holder (with the date of such liquidation event being treated as the Redemption Date in respect of such Senior Preferred Shares) less any redemption amounts previously paid in respect thereof.

At the time of redemption the following pricing mechanism will apply:

- for redemption date on or before June 06, 2018, \$13, or
- for redemption date after June 06, 2018, the greater of \$13.90 and the variable return (as defined in the Agreement).
- The variable return provides for an interest rate of 14% until June 2021 and 18% thereafter.

These shares are redeemable upon the event of a public offering of IBEX Holdings Limited or a liquidation event (as explained above), whichever comes earlier. Upon such events these shares will cease to exist as an equity item and will be recognized as a debt liability. 17Capital Fund has a limited right to transfer these preference shares to TRGI up until an IPO. In the event that 17Capital exercises this option, the subsidiary will register TRGI as the holders of record for these preference shares.

**15. NON-CONTROLLING INTERESTS**

Summarized financial information in respect of each of the Holding Company's subsidiaries that has material non-controlling interests ("NCI") is set out below: The summarized financial information below represents amounts before intra-group eliminations.

	June 30, 2016		
	(US\$'000)		
	IBEX	DGS	e-Telequote
NCI Percentage %	<b>29%</b>	<b>50%</b>	<b>20%</b>
Non-current assets	42,593	4,582	7,582
Current assets	65,121	8,406	4,479
Non-current liabilities	14,676	4,621	—
Current liabilities	63,912	7,908	25,275
Net assets attributable NCI	7,373	(1,082)	(2,648)
Revenue	255,510	47,752	16,171
Profit / (loss) for the year	6,928	(6,458)	2,542
Profit / (loss) attributable to NCI	2,009	(3,229)	508
Other comprehensive income / (loss) attributable to NCI	25	(49)	—
Total comprehensive income / (loss) attributable to NCI	2,034	(3,278)	508
Dividend paid to NCI	(1,365)	(922)	—

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In December 2016, the predecessor parent company TRGI paid \$15.8 million to acquire the remaining 29% equity interest in IBEX Global Solutions plc; the carrying amount of the noncontrolling interests acquired was \$6.3 million, resulting in an excess of consideration paid recognised in equity of \$9.5 million.

In December 2016, the predecessor parent company TRGI paid \$7.4 million to acquire a 36.5% equity interest in DGS; the carrying amount of the noncontrolling interests acquired was (\$1.0 million), resulting in an excess of consideration paid recognised in equity of \$8.4 million.

In April 2017, the Holding Company issued 360,184 common shares to Mr. Jeffrey Cox in return for his 13% equity interest in DGS as disclosed in note 14.2; the carrying amount of the noncontrolling interests acquired was (\$0.5 million), resulting in an excess of consideration paid recognised in equity of \$3.4 million.

In April 2017, the Holding Company issued 533,818 common shares to Mr. Anthony Solazzo in return for his 20% equity interest in ETQ as disclosed in note 14.2; the carrying amount of the noncontrolling interests acquired was (\$2.4 million), resulting in an excess of consideration paid recognised in equity of \$8.1 million.

**16. BORROWINGS**

	Note	June 30, 2017	June 30, 2016	July 1, 2015
(US\$'000)				
Obligation under finance leases	16.1	5,943	9,669	10,889
Long-term other borrowings	16.2	17,468	12,007	7,447
Line of credit	16.3	23,707	18,906	5,637
Private placement notes	16.4	9,130	—	5,550
		<u>56,248</u>	<u>40,582</u>	<u>29,523</u>
Less: Current portion of;				
- obligation under finance leases	16.1	(3,224)	(3,579)	(3,730)
- long-term other borrowings	16.2	(5,536)	(5,892)	(3,196)
- line of credit	16.3	(23,707)	(18,906)	(5,637)
- private placement notes	16.4	(9,130)	—	(5,550)
		<u>(41,597)</u>	<u>(28,377)</u>	<u>(18,113)</u>
		<u>14,651</u>	<u>12,205</u>	<u>11,410</u>

**16.1 Obligation under finance leases**

	June 30, 2017	
	Minimum lease payments	Present value of payments
(US\$'000)		
Within one year	3,532	3,224
After one year but not more than five years	2,914	2,719
Total minimum lease payments	6,446	5,943
Less: amounts representing finance charges	(503)	—
Present value of minimum lease payments	5,943	5,943
Less: current portion shown under current liabilities	(3,224)	(3,224)
	<u>2,719</u>	<u>2,719</u>



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June 30, 2016		
	Minimum lease payments	Present value of payments
(US\$'000)		
Within one year	4,169	3,579
After one year but not more than five years	6,598	6,090
Total minimum lease payments	10,767	9,669
Less: amounts representing finance charges	(1,098)	—
Present value of minimum lease payments	9,669	9,669
Less: current portion shown under current liabilities	(3,579)	(3,579)
	<b>6,090</b>	<b>6,090</b>
July 1, 2015		
	Minimum lease payments	Present value of payments
(US\$'000)		
Within one year	4,358	3,730
After one year but not more than five years	8,079	7,159
Total minimum lease payments	12,437	10,889
Less: amounts representing finance charges	(1,548)	—
Present value of minimum lease payments	10,889	10,889
Less: current portion shown under current liabilities	(3,730)	(3,730)
	<b>7,159</b>	<b>7,159</b>

Various subsidiaries in the Group hold assets subject to finance leases. These lease arrangements have interest rates ranging from 5% to 10% (June 30, 2016: 6% to 8% and June 30, 2015: 5% to 10%) per annum. At the end of the lease term, the ownership of the assets shall be transferred to the respective entities against security deposits paid.

**16.2 Long-term other borrowings**

	Note	June 30, 2017	June 30, 2016	July 1, 2015
(US\$'000)				
<b>Financial Institutions</b>				
IBM Credit LLC	16.2.1	890	3,497	6,015
CIT Finance LLC	16.2.2	90	751	1,432
PNC Bank, N.A.	16.3.1	2,265	1,759	—
PNC Term loan	16.3.1	14,223	6,000	—
		17,468	12,007	7,447
Less: Current portion of long-term other borrowings		(5,536)	(5,892)	(3,196)
		<b>11,932</b>	<b>6,115</b>	<b>4,251</b>

- 16.2.1** In June 2014, the Group entered into a \$3.3 million three-year financing agreement ("IBM Agreement") with IBM Credit LLC ("IBM") to finance the purchase of software licenses (under a Select Agreement) from Microsoft Corporation ("Microsoft"). Also in June 2014, the Group entered into a three-year Enterprise

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Agreement with Microsoft for the use of certain cloud software services for approximately \$1.1 million in year one, with minimum service commitments of approximately \$50,000 in each of years two and three. The monthly financing payments under the IBM Agreement are approximately \$103,000 per month for 36 months which began in July 2014.

**16.2.2** In addition, the Group has financed the purchase of various property and equipment and software during the fiscal year 2017, 2016 and 2015 with CIT Finance LLC ("CIT"), IBM and PNC. As of June 30, 2017 and 2016 and July 1, 2015, the Group has financed \$9.1 million, \$12.2 million and \$9.8 million, respectively, of assets at interest rates ranging from 6% to 8% per annum.

**16.3 Line of credit**

	Note	June 30, 2017	June 30, 2016	July 1, 2015
(US\$'000)				
PNC Bank, N.A.	16.3.1	20,907	17,025	3,274
Seacoast Business Funding	16.3.2	304	376	571
Heritage Bank of Commerce	16.3.3	2,496	1,505	1,792
		<b>23,707</b>	<b>18,906</b>	<b>5,637</b>

**16.3.1** In November 2013, the Group's subsidiary TRG Customer Solutions, Inc. entered into a three-year \$35 million revolving credit facility (as amended, the "PNC Credit Facility") with PNC Bank, N.A. ("PNC"). In June 2015, the amount of availability under the PNC Credit Facility was increased to \$40 million, with an additional \$10 million of incremental availability (subject to PNC's approval and satisfaction of conditions precedent), and the maturity date of the PNC Credit Facility was extended to May 2020. The line of credit balance as of June 2017 is \$20.9 million (June 2016 \$17.0 million) as presented in note 16.2. In June 2016, the PNC Credit Facility was amended to add a Term Loan A of \$6.0 million, which was drawn down in full, and a Term Loan B of \$4.0 million (subject to satisfaction of conditions precedent), which was never drawn down and cancelled. In addition, the PNC Credit Facility was amended in June 2016 to include a \$3.0 million non-revolving line of credit for purchases of equipment, which was drawn down in full. The balance of this line as of June 2017 is \$2.3 million (June 2016 \$1.8 million) as presented in note 16.2. In November 2016, the PNC Credit Facility was amended by adding a Term Loan C of \$16.0 million which was drawn down in full with \$6.0 million applied to repay in full Term Loan A. Term Loan C is required to be repaid in 54 equal monthly installments (commencing six months after the drawdown date). The term loan balance as of June 2017 is \$14.2 million (June 2016 \$6 million) as included in note 16.2. Borrowings under the PNC Credit Facility bear interest at LIBOR plus a margin of 1.75% and/or at the PNC Commercial Lending Rate for domestic loans. In this agreement, TRG Customer Solutions, Inc. derived value from the choice of interest rates, depending on the rate selected. This value changes in response to the changes in the various interest rates alternatives. Thus, a derivative is embedded within the loan commitment. The part of the value associated with the loan commitment derivative (the embedded derivative part) is derived from the potential interest rate differential between the alternative rates.

**16.3.2** In July 2011, a subsidiary of the Group, iSky, Inc. entered into a purchasing agreement (the "Seacoast Receivables Financing Agreement") with the predecessor to Seacoast National Bank ("Seacoast"). Pursuant to the Seacoast Receivables Financing Agreement, Seacoast provides payment to iSky, Inc. for up to \$1.5 million of accounts receivable owed to iSky, Inc. All payments from Seacoast to iSky, Inc. are subject to a discount of 1.0% for receivables outstanding 30 days or less and an additional 0.5% for each additional 15 days that such receivable is outstanding. The average discount during the fiscal year ended

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June 30, 2017 was approximately 1.5% of net sales. Under the Seacoast Receivables Financing Agreement, Seacoast may also advance an amount up to 85% of iSky, Inc.'s receivables to iSky, Inc. at a rate of LIBOR plus 7.0%.

The Seacoast Receivables Financing Agreement requires iSky, Inc. to sell \$0.2 million of receivables per month to Seacoast, subject to a penalty based on the discount fee if such minimum is not met. The Seacoast Receivables Financing Agreement is automatically renewed for successive 12-month periods unless terminated in accordance with its terms.

- 16.3.3** In March 2015, the subsidiaries of the Group, Digital Globe Services, Inc., Telsat Online Inc. and DGS EDU, LLC entered into a one-year \$3.5 million revolving credit facility (as amended, the "HBC Credit Facility") with Heritage Bank of Commerce ("HBC"). In March 2016, the HBC Credit Facility was amended to increase the credit line capacity to \$5.0 million and extend its maturity date until March 31, 2018, subject to collateral review. As of June 30, 2017, \$2.5 million of indebtedness was outstanding under the HBC Credit Facility.

Borrowings under the HBC Credit Facility bear interest at the Prime Rate plus a margin of 2.50%. Amounts owed under the HBC Loan Facility are secured by our substantially all of the borrowers' assets.

Availability of amounts under the HBC Credit Facility is subject to the achievement of EBITDA (as defined in the HBC Loan Agreement) of at least \$750,000 by Digital Globe Services, Inc., Telsat Online Inc., and DGS EDU, LLC for the trailing six months ending on each quarter end during the term of the facility.

The HBC Credit Facility also contains negative covenants limiting mergers and consolidations, acquisitions and sales of assets, liens, the making of loans and guarantees and dividends, storage of inventory, and payments of subordinated debt, which are subject to exceptions and qualifications.

The HBC Credit Facility contains customary events of default, including payment default, failure to comply with covenants or other obligations, material misrepresentations, events which have a material adverse effect, certain bankruptcy events, and changes of control. At June 30, 2017, the borrowers under the HBC Credit Facility were fully compliant with the reporting and financial covenants except for certain events of default for six-month rolling adjusted EBITDA covenants for June 2016, September 2016 and June 2017. Under the terms of the loan agreement, such defaults give HBC the right to call for immediate repayment of the balance owed. HBC has waived these defaults on September 30, 2016, December 14, 2016 and September 1, 2017 respectively.

- 16.4** In February 2015, the Group's subsidiary e-Telequote Insurance, Inc. issued \$5.0 million aggregate principal amount of 18.0% senior secured notes due February 19, 2016, guaranteed by TRGI and the Group's subsidiary e-Telequote Plc (the "2015 ETQ Notes"), to a consortium of private investors. An additional \$1.1 million aggregate principal amount of 2015 ETQ Notes was issued in two tranches in June and July 2015. In February and April, 2016, e-Telequote Insurance, Inc. issued \$10.0 million aggregate principal amount of 15.0% senior secured notes due February 19, 2017, guaranteed by TRGI and e-Telequote Plc (the "2016 ETQ Notes"), to a consortium of private investors. The proceeds of the issuance of the 2016 ETQ Notes were used to repay the 2015 ETQ Notes and for working capital purposes. The 2016 ETQ Notes were prepaid by e-Telequote Insurance, Inc. in June 2016 with the proceeds of \$10.0 million of borrowings by e-Telequote Plc under a loan agreement with TRGI dated as of June 20, 2016 (which on June 30, 2016 were converted into an equivalent principal amount of convertible

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loan notes under the convertible loan agreement referred to in note 17). In June 2017, e-Telequote Insurance, Inc. issued \$9.1 million aggregate principal amount of 12.0% Senior Secured Notes due June 12, 2018 (the "2017 ETQ Notes"), guaranteed by TRGI, with an option of early settlement by the borrower.

**17. Related Party Loans**

Under a convertible loan note agreement between a subsidiary of the Group and TRGI, these loan notes may convert into ordinary shares at the option of TRGI if there is external funding in the subsidiary in excess of \$3 million. Out of total loan amount, \$3.5 million was disbursed during the current year (\$12.6 million during the year ended June 30, 2016). Pursuant to a deed of release dated as of June 30, 2017, \$20.0 million of outstanding borrowings under the loan note agreement was cancelled, other than in respect of any interest that had accrued on the cancelled notes as at the date of cancellation, in return for the issuance of Senior Preference Shares as described in note 14.4.1 above. The loan carries interest at a rate of 15% (June 30, 2016: 15%) and the related accrued interest amounted to \$6.1 (June 30, 2016: \$2.4) million as at June 30, 2017. As of June 30, 2017, total loan balances included \$1.0 m without conversion features (June 30, 2016: \$0).

**18. OTHER NON-CURRENT LIABILITIES**

<i>Note</i>	June 30, 2017	June 30, 2016	July 1, 2015
(US\$'000)			
Deferred rent - long term	262	428	649
Defined benefit scheme	18.1	727	633
Phantom stock plan	23.2	74	26
Other	51	8	—
	<u>1,114</u>	<u>1,095</u>	<u>1,304</u>

**18.1 Defined benefit scheme**

Two of the Group subsidiaries ("the Subsidiaries") operate an unfunded defined benefit plan for qualifying employees. Under this plan, the employees are entitled to one half month's salary for every year of service, with six months or more of service considered as one year. One half month's salary has been defined to include the following:

- 15 days salary based on the latest salary rate.
- cash equivalent to 5 days service incentive leave.
- one-twelfth of the 13th month's pay.

An employee is entitled to retirement benefits only upon attainment of a retirement age of 60 years and completion of at least five years of previously credited service. No other post-retirement benefits are provided to these employees. The most recent actuarial valuations of the present value of the defined benefit obligation were carried out on June 30, 2017. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

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The principal assumptions used for the purposes of the actuarial valuations are as follows:

	June 30, 2017	June 30, 2016	July 1, 2015
Discount rate	5.00%	5.40%	4.80%
Expected rate of salary increase	3.00%	3.00%	3.00%

Amounts recognized in the consolidated statement of profit or loss and other comprehensive income in respect of defined benefit scheme are as follows:

	June 30, 2017	June 30, 2016	July 1, 2015
	(US\$'000)		
Current service cost	222	239	98
Interest on obligation	20	24	9
	<u>242</u>	<u>263</u>	<u>107</u>

The amount included in the statement of financial position in other non-current liabilities arising from defined benefit obligations is as follows:

	June 30, 2017	June 30, 2016	July 1, 2015
	(US\$'000)		
Present value of unfunded defined benefit obligation	727	633	494
Net liability arising from defined benefit obligation	<u>727</u>	<u>633</u>	<u>494</u>

The movement in the present value of the defined benefit obligation in the current period is as follows:

	June 30, 2017	June 30, 2016	July 1, 2015
	(US\$'000)		
Present value of defined benefit obligation at the beginning of the year	633	494	173
Foreign exchange movements	(80)	8	(11)
Current service cost	222	239	98
Interest cost	20	24	9
Actuarial loss / (gains)	(68)	(132)	225
Present value of defined benefit obligation at the end of the year	<u>727</u>	<u>633</u>	<u>494</u>

The historical information of the amounts for the current and previous annual periods is as follows:

	2017	2016
	(US\$'000)	
Present value of defined benefit obligation	<u>727</u>	<u>633</u>

The subsidiaries are yet to contribute to the plan asset as of June 30, 2017.

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**19. TRADE AND OTHER PAYABLES**

	<i>Note</i>	June 30, 2017	June 30, 2016	July 1, 2015
(US\$'000)				
Trade creditors		13,690	11,182	8,391
Accrued expenses		24,948	25,369	24,181
Provision	19.1	1,000	—	—
Others		1,411	2,350	2,547
		<u>41,049</u>	<u>38,901</u>	<u>35,119</u>

19.1. Represents the provision of legal settlement during the year June 30, 2017. Please refer to note 20.1.

**20. CONTINGENCIES AND COMMITMENTS**

**20.1 Contingencies**

The Group is subject to claims and lawsuits filed in the ordinary course of business. Although management does not believe that any such proceedings will have material adverse effect going forward, no assurances to that effect can be given based on the uncertainty of litigation and demands of third parties.

20.1.1 The significant claims or legal proceedings against subsidiaries of the Group are as follows:

In November 2014, a group of current and former employees filed a collective action under the US Fair Labor Standards Act ("FLSA") and Tennessee law in the US District Court of Tennessee against TRG Customer Solutions, Inc. d/b/a IBEX Global Solutions, alleging that such plaintiffs were forced to work "off the clock" without being paid for that time. In December 2014, a similar FLSA collection action case was filed against IBEX Global Solutions in the US District Court for the District of Columbia. In February 2015, the two cases were consolidated in Tennessee and the plaintiffs agreed to submit all claims to binding arbitration before the American Arbitration Association. Presently, there are approximately 3,500 individuals who have opted into the FLSA class action claims, and there are pending wage and hour class action claims under Oregon, Pennsylvania, and Tennessee state laws involving approximately 25,000 potential class action claimants. State class certification motions are currently due to be filed in November 2017. Discovery and internal investigations into this matter are ongoing. The plaintiffs have not identified the amount of damages sought at this time, and the management cannot reasonably determine such damages at this time. We intend to vigorously defend this action and have made a reserve against this matter of \$1,000,000 reflecting the cost of defense.

In June 2017, the plaintiffs' lawyers in the above matter filed a tag-along nationwide collective action in Tennessee federal court, asserting FLSA and state law wage and hour class action claims. In August 2017, the court found that all such class action claims are precluded by class action waivers signed by the named plaintiffs as a condition of their employment with IBEX Global Solutions and directed the parties to meet and confer to arbitrate plaintiffs' individual claims before the American Arbitration Association. In November 2017, the Court granted IBEX's motion to compel arbitration of those plaintiffs who have signed class action waivers, but allowed the plaintiff to amend their complaint with any plaintiffs they allege to have not signed a class action waiver. We intend to vigorously defend this action and have not made any reserve given that the probability for liability or settlement, as well as the amount of any damages, are not estimable at this time.

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In June 2017, a group of current and former employees filed a lawsuit against IBEX Global Solutions in Tennessee federal court alleging wage and hour claims under the FLSA and various state laws. On August 21, 2017, the management filed a motion to dismiss the class allegations and to compel arbitration of the individual claims. In November 2017, the Court granted IBEX's motion to compel arbitration, but allowed the plaintiff to amend their complaint with any suitable plaintiffs to the extent they exist. We intend to vigorously defend this action and have not made any reserve given that the probability for liability or settlement, as well as the amount of any damages, are not estimable at this time.

**20.2 Commitments**

**20.2.1** IBEX Global Solutions Limited has an annual telecommunication service commitment with two of its carriers. The carrier agreement was signed in January 2015 for a three-year term with the minimum annual commitment for \$0.6 million. The agreement has a provision for an early termination at its one-year anniversary with a sixty day written notice. A second carrier agreement was signed in July 2016 for a three-year term with minimum annual commitment for \$0.69 million.

**20.2.2** IBEX Global Solutions Limited is also subject to early termination provisions in certain telecommunications contracts, which if enforced by the telecommunications providers, would subject IBEX Global Solutions to the obligation to pay early termination fees. To date, these early termination provisions have not been triggered by IBEX Global Solutions.

**20.3 Operating leases**

Certain Group companies have access to computer equipment, software, office facilities, furniture and fixtures and office premises under operating lease arrangements. Rent expense is recognized on a straight-line basis over the life of the lease term. Future minimum lease rentals under operating leases subsequent to the reporting period are as follows:

	June 30, 2017	June 30, 2016	July 1, 2015
	(US\$'000)		
Within one year	10,002	8,288	7,394
After one year but not more than five years	18,601	17,433	17,651
More than five years	663	—	605
	<u>29,266</u>	<u>25,721</u>	<u>25,650</u>

Rental expenditure for the year ended June 30, 2017 was approximately \$11.75 (June 30, 2016: \$10.89) million.

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**21. FINANCE EXPENSES**

	June 30, 2017	June 30, 2016
	(US\$'000)	
Interest on borrowings	5,278	3,671
Factoring fees	139	69
Finance charges on leased assets	873	1,038
Bank charges	103	352
	<u>6,393</u>	<u>5,130</u>

**22. INCOME TAXES**

	June 30, 2017	June 30, 2016
	(US\$'000)	
The major components of income tax expense are:		
Current tax expense for the year	652	1,270
Deferred tax (income) / expense for the year	(357)	591
	<u>295</u>	<u>1,861</u>

The Group's U.S. tax provision includes the following U.S. entities: TRG Customer Solutions, Inc. (d/b/a IBEX Global Solutions), Digital Globe Services, Inc., iSky Inc. and e-Telequote Insurance, Inc. which file separate income tax returns in the US. Additionally, included in the group provision are various foreign subsidiaries located in UK, EU, Canada, Pakistan, Senegal, and Philippines. These entities file tax returns in their respective jurisdictions. No tax provision has been calculated for holding companies (the Holding Company, IBEX Global Limited and Etelequote Limited), as they are Bermuda based and there is no corporate income tax in Bermuda.



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Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes, as well as net operating losses and tax credit carry forwards. Deferred tax assets and liabilities are measured using the enacted tax rates that will apply to taxable income in the periods the deferred tax item is expected to be settled or realized. The tax effects of the Group's temporary differences and carry forwards are as follows:

**Tax effect of deductible / (taxable) temporary differences**

	June 30, 2017	June 30, 2016	July 1, 2015
	(US\$'000)		
<b>Deductible temporary differences:</b>			
- Provisions and write-offs against accounts receivable	1,409	454	193
- Unpaid accrued expenses / compensation	3,946	2,633	1,964
- Deferred revenue and credits	101	342	89
- Net operating losses	19,073	17,171	11,326
- Property, plant and equipment	40	55	35
- Intangible assets	1,136	1,368	1,279
	25,705	22,023	14,886
Unrecognized deferred tax assets	(12,527)	(13,397)	(9,568)
	13,178	8,626	5,318
Set off of tax	(8,788)	(5,310)	(2,890)
<b>Deferred tax assets - net</b>	<b>4,390</b>	<b>3,316</b>	<b>2,428</b>
<b>Taxable temporary differences:</b>			
- Property, plant and equipment	—	(739)	(1,032)
- Development costs	(421)	(634)	(799)
- Deferred revenue	(12,461)	(7,358)	(3,108)
- Intangible assets	(1,245)	(1,201)	(1,094)
	(14,127)	(9,932)	(6,033)
Set off of tax	8,788	5,310	2,890
<b>Deferred tax liability - net</b>	<b>(5,339)</b>	<b>(4,622)</b>	<b>(3,143)</b>

A deferred tax asset has not been recognized for the following gross amounts:

	June 30, 2017	June 30, 2016	July 1, 2015
	(US\$'000)		
Unused tax losses	48,622	41,760	25,612
Net (taxable) / deductible temporary differences	(10,218)	(3,406)	2,298
Unused tax losses and deductible differences - unrecognized	<b>38,404</b>	<b>38,354</b>	<b>27,910</b>

Deferred tax asset arising on the above noted deductible temporary differences and unused tax losses has not been recognized in these consolidated financial statements, as the management is of the prudent view that it is not probable that sufficient taxable profit will be available in the foreseeable future against which

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these deductible temporary differences and unused tax losses can be utilized. Other factors considered include cumulative losses in recent years and non-existence of future reversals of existing taxable temporary differences. The unused tax losses will begin to expire in 2027. The deductible temporary differences can be carried forward indefinitely.

At as June 30, 2017, the Group's US federal and state net operating loss carry forwards for income tax purposes are \$42.6 (June 30, 2016: \$39.0) million and \$48.0 (June 30, 2016: \$43.1) million, respectively, which will begin to expire in 2029. The Group's Canadian subsidiary has a net operating loss carry forward of \$1.9 million (June 30, 2016: \$1.8) million, expiring over the period 2027 through 2036. The Group's European subsidiaries have net operating loss carry forwards of \$9.0 million (June 30, 2016: \$7.3) million. These amounts are based on the income tax returns filed for the year ended June 30, 2016 and estimated amounts for the year ended June 30, 2017.

The Group is subject to income tax in several jurisdictions and significant judgement is required in determining the provision for income taxes. During the ordinary course of business, there are transactions and calculations for which the ultimate tax determination is uncertain. As a result, the Group recognizes tax liabilities based on estimates of whether additional taxes and interest will be due. The Group believes that its accruals for tax liabilities are adequate for all open audit years based on its assessment of many factors including past experience and interpretations of tax law. This assessment relies on estimates and assumptions and may involve a series of complex judgments about future events. To the extent that the final tax outcome of these matters is different than the amounts recorded, such differences will impact income tax expense in the period in which such determination is made.

There are no income tax consequences attached to the payment of dividends by the Group to its shareholders.

**Reconciliation of effective tax rate**

Below is a reconciliation of tax expense and the accounting profit. As group's key income generating operations are based in the US, United States federal income tax rate of 34% is used for the purpose of this reconciliation:

	June 30, 2017	June 30, 2016
	(US\$'000)	
(Loss) / profit for the period	(9,013)	1,571
Income tax expense	295	1,861
Net (loss) / profit excluding income tax	<u>(8,718)</u>	<u>3,432</u>

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	June 30, 2017	June 30, 2017	June 30, 2016	June 30, 2016
	(%)	(US\$'000)	(%)	(US\$'000)
Income tax (benefit) / expense using the applicable tax rate	34%	(2,965)	34%	1,167
State taxes (net of federal tax effect)	4%	(328)	6%	200
Effect of tax and exchange rates in foreign jurisdictions	-41%	3,562	-35%	(1,202)
Non-deductible expenses / exempt income	-9%	785	-70%	(2,393)
Prior year provision / other items	-1%	110	8%	260
Change in unrecognized temporary differences	10%	(869)	112%	3,829
	<b>-3%</b>	<b>295</b>	<b>54%</b>	<b>1,861</b>

**23. SHARE OPTION PLANS**

As at June 30, 2017, the Group maintained the following equity incentive plans: IBEX Pre-IPO stock plan 2013, IBEX Post-IPO stock plan 2013, IBEX group Phantom stock option plan (a cash settled share-based payment), e-Telequote stock option plan and DGS Limited stock option plan. Upon the reorganization under the ambit of common control combination the holders of options in Digital Globe Services Limited had their options substituted with options granted pursuant to a stock option plan of DGS Limited, with a view to carrying forward the essence of the original plan.

On June 20, 2017, the Holding Company adopted a 2017 Stock Option Plan to enable certain executives and employees to be granted options and restricted stock awards, up to a maximum of 2,007,498 common shares of the Holding Company.

The details of above mentioned equity incentive plans are as below:

**23.1 IBEX stock plan 2013**

The IBEX Stock Plan 2013 was adopted on June 4, 2013 and is comprised of a plan adopted prior to the AIM flotation of IBEX Global Solutions Limited (Pre-IPO plan) and a plan adopted after the completion of the AIM flotation on June 28, 2013 (Post-IPO plan). The Pre-IPO plan was adopted to enable certain executives and employees to be granted options by TRGI to acquire ordinary shares and restricted stock awards (TRGI Options) not to exceed the maximum of 4,301,890 shares, with 1,760,892, 1,760,892 and 4,147,174 options for ordinary shares of IBEX Global Solutions Limited held by TRGI outstanding under the Pre-IPO plan as of June 30, 2017, 2016 and 2015, respectively. The maximum allowable shares under the Post-IPO plan is 5,008,341, with 3,200,427 and 2,853,687 authorized as of June 30, 2017 and 2016, respectively, and 3,200,427, 2,750,427 and 1,879,717 options outstanding as of June 30, 2017, 2016 and 2015, respectively. When an employee leaves with unexercised stock options under the Pre-IPO plan, the ordinary shares of IBEX Global Solutions Limited underlying these options become unencumbered with respect to TRGI. In contrast, the options under the Post-IPO plan are returned to the plan for reissuance.

During the year ended June 30, 2017, the IBEX Global Solutions Limited granted 450,000 (June 30, 2016: 920,523) share options under the Post-IPO plan to its employees. There were no options granted under the Pre-IPO plan in either such fiscal year. The weighted average exercise price of options granted during fiscal year 2017 was \$1.12 (FY-2016: \$1.71). The options have a maximum contractual term of no longer

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than ten years from their date of grant and vest and become exercisable over a maximum period of 48 months in accordance with terms of the grant agreement. In fiscal year 2017, nil (FY-2016: 29,888) options were exercised under Pre-IPO plan.

**Expected term**

The expected term of options granted is ten years. In estimating the expected term, IBEX Global Solutions Limited assumes all options will be exercised at the contractual term of the option.

**Volatility**

The expected volatility was determined by reference to historical data of IBEX Limited's shares over a period of time consistent with option life. Management used an average volatility of 24.5% (June 30, 2016: 25.5%) for grant calculations for the year ended June 30, 2017.

**Expected dividends**

The expected average dividend yield of IBEX is 7.3% (June 30, 2016: 7.3%) for the year ended June 30, 2017.

**Risk-free rate**

The risk-free rate is the continuously compounded United States nominal treasury rate corresponding to the term of the option. The average risk-free rate used for options granted during the years ended June 30, 2017 was 1.4% (June 30, 2016: 1.9%).

	2017		2016	
	Weighted average exercise price (US\$)	Share options (Number)	Weighted average exercise price (US\$)	Share options (Number)
Options outstanding as at beginning of the year	1.78	4,511,319	1.70	6,026,891
Options granted during the year	1.12	450,000	1.71	920,523
Options exercised during the year	—	—	1.55	(29,888)
Options cancelled during the year	—	—	1.59	(2,406,207)
Options outstanding as at end of the year	1.68	<u>4,961,319</u>	1.78	<u>4,511,319</u>
Pre-IPO plan		1,760,892		1,760,892
Post-IPO plan		3,200,427		2,750,427
Options outstanding as at end of the year		<u>4,961,319</u>		<u>4,511,319</u>
Options exercisable as at end of the year		—		<u>2,513,265</u>

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A summary of the stock options outstanding and exercisable as at June 30, 2017 and 2016 is as follows:

2017						
Exercise price or range US\$	Options outstanding			Options exercisable		
	Number	Weighted average remaining life (years)	Weighted average exercise price US\$	Number	Weighted average remaining life (years)	Weighted average exercise price US\$
1.07 - 3.37	4,961,319	7.03	1.68	—	—	—

2016						
Exercise price or range US\$	Options outstanding			Options exercisable		
	Number	Weighted average remaining life (years)	Weighted average exercise price US\$	Number	Weighted average remaining life (years)	Weighted average exercise price US\$
1.55 - 3.37	4,511,319	8.16	1.78	2,513,265	7.34	1.75

The weighted average grant date fair value of stock options granted during the year ended June 30, 2017 is \$0.068 (June 30, 2016: \$0.729). The amount recognized as share-based payment expense pertaining to this plan for the year ended June 30, 2017 is \$0.1 million (June 30, 2016: \$0.5 million).

**23.2 IBEX group Phantom stock option plan**

The Group maintains a phantom stock option plan for employees of certain subsidiaries of IBEX Global Solutions Limited.

A Phantom stock option is the right to receive upon exercise an amount equal to the difference between;

- (a) the fair market value of the share of Stock at the time of exercise; and
- (b) the exercise price of the option per share of stock.

During the year ended June 30, 2016, the subsidiaries of the Group included in this plan granted 239,864 Phantom Stock Options to their respective employees. There were no Phantom stock options granted in fiscal year 2017. The weighted average exercise price of all options granted in 2016 was \$1.58 (2017: nil). The options have a maximum contractual term of no longer than ten years from their date of grant and vest and become exercisable over a maximum period of 48 months in accordance with terms of the grant agreement. In fiscal year 2016, 42,339 options were exercised under the Phantom Stock plan (2017: nil).

The grants of the Phantom stock options are treated as cash settled share-based payment transactions under IFRS 2 'Share-based Payment'. The fair value of the liability is measured at the end of each reporting period and settlement date and changes in fair value are recognized in the consolidated statement of profit or loss and other comprehensive income for the period. The entity uses the Black

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Scholes option pricing model, which requires the use of certain estimates and assumptions that affect the reported amount of share-based compensation cost recognized in the profit or loss. These include estimates of the expected term of stock options, expected volatility of the entity's shares, expected dividends and the risk-free interest rate:

**Expected term**

The expected term of options granted is ten years. In estimating the expected term, the subsidiary assumes all options will be exercised at the contractual term of the option.

**Volatility**

Management used a volatility of 27.1% (June 30, 2016: 24.5%) for measurement of fair value of options as at June 30, 2017.

**Expected dividends**

The expected dividend yield is 7.3% (June 30, 2016: 7.3%) for the year ended June 30, 2017.

**Risk-free rate**

The risk free rate is the continuously compounded United States nominal treasury rate corresponding to the term of the option. The risk free rate used for computation of fair value of options as at June 30, 2017 was 2.1% (June 30, 2016: 1.3%).

	2017		2016	
	Weighted average exercise price (US\$)	Share options (Number)	Weighted average exercise price (US\$)	Share options (Number)
Options outstanding as at beginning of the year	1.79	875,625	1.88	697,924
Options granted during the year	—	—	1.58	239,864
Options exercised during the year	—	—	1.55	(42,339)
Options cancelled during the year	—	—	1.81	(19,824)
Options outstanding as at end of the year	1.79	<u>875,625</u>	1.79	<u>875,625</u>
Options exercisable as at end of the year	—	—	—	<u>591,130</u>

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A summary of the stock options outstanding and exercisable as at June 30, 2017 and 2016 is as follows:

2017						
Exercise price or range US\$	Options outstanding			Options exercisable		
	Number	Weighted average remaining life (years)	Weighted average exercise price US\$	Number	Weighted average remaining life (years)	Weighted average exercise price US\$
1.55 - 3.37	875,625	6.76	1.79	—	—	—

2016						
Exercise price or range US\$	Options outstanding			Options exercisable		
	Number	Weighted average remaining life (years)	Weighted average exercise price US\$	Number	Weighted average remaining life (years)	Weighted average exercise price US\$
1.55 - 3.77	875,625	7.78	1.79	591,130	6.98	1.77

The weighted average fair value of the Phantom stock options as at June 30, 2017 is \$0.10 (June 30, 2016: \$0.051). For the year ended June 30, 2017, the Subsidiary recognized an expense of share-based payment amounting to \$47,524 (June 30, 2016: income of \$135,137) netted off in "Employee benefits expenses" in the consolidated statement of profit or loss and other comprehensive income. There were no Phantom Stock options with intrinsic value as of June 30, 2017 and 2016. The liability under the Phantom stock option plan as at June 30, 2017 and 2016 was included as other non-current liabilities in Note 18.

**23.3 e-Telequote stock option plan**

The e-Telequote stock plan was adopted in March 2014 to enable certain executives and employees of e-Telequote Plc to be granted options to acquire common shares of e-Telequote Plc not to exceed a maximum of 36,700,000 common shares. The exercise price of options granted during the year is \$0.05 (June 30, 2016: \$0.05). No options are exercisable as at the end of the year.

e-Telequote Plc estimates the fair value of its stock options on the date of grant using the Black Scholes option pricing method, which requires the use of certain estimates and assumptions that affect the reported amount of share based compensation cost recognized in the consolidated statement of profit or loss and other comprehensive income. These include estimates of the expected term of stock options, expected volatility of e-Telequote's shares, expected dividends and the risk-free interest rate:

**Expected term**

The expected term of options granted during the year is 10 years.

**Volatility**

As e-Telequote Plc is not a listed company, estimated volatility in its share price is derived by calculating the average historical volatility of certain comparable public companies in the call center/business process outsourcing sector. Management used a volatility of 65.4% (June 30, 2016: 40%) for grant calculation as of June 30, 2017.

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**Expected dividends**

e-Telequote Plc does not have a history of paying dividends, nor does it anticipate paying dividends in the foreseeable future.

**Risk-free rate**

The risk-free rate is continuously compounded US nominal treasury rate. The risk-free rate used for options granted during the year June 30, 2017 is 1% (June 30, 2016: 1%).

	2017		2016	
	Weighted average exercise price (US\$)	Share options (Number)	Weighted average exercise price (US\$)	Share options (Number)
Options outstanding as at beginning of the year	0.05	28,600,000	0.05	33,600,000
Options granted during the year	0.05	11,100,000	0.05	1,200,000
Options exercised during the year		—		—
Options forfeited/cancelled/expired during the year	0.05	—	0.05	(6,200,000)
Options outstanding as at end of the year	0.05	<u>39,700,000</u>	0.05	<u>28,600,000</u>
Options exercisable as at end of the year	0.05	33,633,600	0.05	21,580,822

A summary of the stock options outstanding and exercisable as at June 30, 2017 and 2016 is as follows:

Exercise price or range US\$	2017					
	Options outstanding			Options exercisable		
	Number	Weighted average remaining life (years)	Weighted average exercise price US\$	Number	Weighted average remaining life (years)	Weighted average exercise price US\$
0.05	39,700,000	10.00	0.05	33,633,600	10.00	0.05

Exercise price or range US\$	2016					
	Options outstanding			Options exercisable		
	Number	Weighted average remaining life (years)	Weighted average exercise price US\$	Number	Weighted average remaining life (years)	Weighted average exercise price US\$
0.05	28,600,000	10.00	0.05	21,580,822	10.00	0.05

Based on the above assumptions, the amount recognized as share-based payment expense for the year ended June 30, 2017 was \$2,290 (June 30, 2016: \$13,792).



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**23.4 DGS Limited stock option plan**

One of the subsidiaries of the Group (Digital Globe Services Limited ("DGSL")) maintained a Stock Option Plan ("2013 Stock Plan"), which authorized the granting of stock options to employees of DGSL. Under the plan, the exercise price of each option equals the price per share that an external investor pays for its investment into DGSL.

The amount recognized as compensation cost in the consolidated statement of profit or loss and other comprehensive income for the year ended June 30, 2017 is \$0.1 million (June 30, 2016: \$0.5 million).

The options have a maximum contractual term of no longer than ten years from their date of grant. These options become exercisable as and when they become vested. The vesting date of options varies and depends on the terms of agreement specified in the agreement with the respective employee / director.

During the year ended June 30, 2017, all options granted under the DGSL Stock Plan 2015 were transferred to DGSL Stock Plan 2013 with similar vesting, strike price and number of options granted, the only change being the management document for the 2015 Plan being replaced by the 2013 Stock Plan. Subsequently the options granted under the 2013 Stock Plan were transferred to the "DGS Limited Stock Option Plan".

***Eligibility***

Options may be granted under the DGS Limited stock option plan at the discretion of the board of DGS Limited or a committee of the board of DGS Limited to employees and directors.

***Scheme limit***

The number of grants that may be made pursuant to the DGS Limited stock option plan are limited in the aggregate to 2,645,567 ordinary shares of DGS Limited.

***Grant of options***

Options may be granted at any time, at the discretion of the board of DGS Limited or a committee of the board of DGS Limited provided that the grant of such DGS Limited stock option would not breach the terms of any share dealing or corporate governance code adopted by the DGS Limited from time to time or applicable or regulation, or exceed the number of shares authorized and reserved for the DGS Limited stock option plan.

***Amendment and Termination***

The DGS Limited stock option plan may be altered or terminated at any time, save that a termination or amendment which materially and adversely affects or impairs the rights of subsisting Option holders shall not be made unless the Option holder consents.

***Change of Control***

In the event of a change of control of DGS Limited, the administrator of the DGS Limited stock option plan has discretion as to how such options are determined.

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During the year ended June 30, 2017, nil (June 30, 2016: 149,812) share options were granted to employees of DGS Limited under the stock option plan. The options have a maximum contractual term of no longer than ten years from their date of grant and vest and become exercisable over a maximum period of 36 months in accordance with terms of the grant agreement. A total of 87,784 (June 30, 2016: 498,918) options have been exercised as at 30 June 2017.

DGS Limited estimates the fair value of its stock options on the date of the grant using the Black Scholes option pricing method, which requires the use of certain estimates and assumptions that affect the reported amount of share based compensation cost recognized in the consolidated statement of profit or loss and other comprehensive income. These include estimates of the expected term of stock options, expected volatility of the DGS Limited's shares, expected dividend and the risk-free interest rate.

**Expected term**

The expected term of options granted during the year ended June 30, 2017 is 3 years (June 30, 2016: 3 years). In estimating the expected term, DGS Limited applied the "simplified method," which assumes all options will be exercised midway between the vesting date and the contractual term of the option.

**Volatility**

Management used a volatility of 83.97% (June 30, 2016: 83.97%) for grant calculations for the year ended June 30, 2017.

**Expected dividends**

The expected dividend yield is 4.20% (June 30, 2016: 4.20%) for the year ended June 30, 2017.

**Risk-free rate**

The risk free rate is the continuously compounded United States nominal treasury rate corresponding to the term of the option. The risk free rate used for options granted during the year ended June 30, 2017 is 2.01% (June 30, 2016: 2.01%).

	2017		2016	
	Weighted average exercise price (US\$)	Share options (Number)	Weighted average exercise price (US\$)	Share options (Number)
Options outstanding as at beginning of the year	1.63	1,565,733	1.84	2,194,508
Options granted during the year		—	0.01	149,812
Options exercised during the year	0.30	(87,784)	0.40	(147,374)
Options forfeited / cancelled / expired during the year	2.11	(346,219)	2.28	(631,213)
Options outstanding as at end of the year	1.50	<u>1,131,730</u>	1.63	<u>1,565,733</u>
Options exercisable as at end of the year	1.80	<u>737,308</u>	2.12	<u>868,460</u>

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A summary of the stock options outstanding and exercisable as at June 30, 2017 and 2016 is as follows:

2017						
Exercise price or range	Options outstanding			Options exercisable		
	Number	Weighted average remaining life	Weighted average exercise price	Number	Weighted average remaining life	Weighted average exercise price
		(years)	US\$		(years)	US\$
0.01 - 3.01	2	6.46	1.50	2	6.09	1.80

2016						
Exercise price or range	Options outstanding			Options exercisable		
	Number	Weighted average remaining life	Weighted average exercise price	Number	Weighted average remaining life	Weighted average exercise price
		(years)	US\$		(years)	US\$
0.01 - 3.01	1,565,733	8.34	1.63	868,460	7.3	2.12

There were no stock options granted during the year ended 30 June 2017 (June 30, 2016: 149,812). The amount recognized as share-based payment expense pertaining to this plan for the year ended June 30, 2017 is \$0.1 million (June 30, 2016: \$0.5 million).

As at June 30, 2017, there was \$0.2 million (June 30, 2016: \$0.3 million) of total unrecognized compensation cost related to 394,422 (June 30, 2016: 697,273) unvested stock options granted under the Plan with weighted average grant date fair value of \$0.94 (June 30, 2016: \$2.36) per share. That cost is expected to be recognized over a weighted average period of 7.2 years (June 30, 2016: 6.6 years). The total fair value of shares vested during the years ended June 30, 2017 was \$0.1 million (June 30, 2016: \$0.5 million).

DGS Limited currently uses authorized and unissued shares to satisfy share award exercises.

**24. (LOSS) / EARNINGS PER SHARE**

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Holding Company by the weighted average number of ordinary shares in issue during the year. On the basis that the pooling of interests approach has been applied in the preparation of these financial statements, earnings per share has been calculated and presented as if the number of shares in issue following the reorganization of the Group had been in issue throughout the periods presented. Diluted earnings per share is calculated by dividing the profit attributable to equity holders of the Holding Company by the weighted average number of ordinary shares in issue and the potential ordinary shares.

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There were no options over the Holding Company's stock as of June 30, 2017 and 2016. Consequently, there is no difference between basic loss / earnings per share and diluted loss / earnings per share.

	June 30, 2017	June 30, 2016
	(US\$'000)	
(Loss) / profit attributable to equity holders of the Holding Company	(7,764)	2,263
	(Shares)	
Weighted average number of ordinary shares - basic	12,500,002	12,500,002
	(US\$)	
Basic (loss) / earnings per share	(0.62)	0.18
	(Shares)	
Weighted average number of ordinary shares - diluted	12,500,002	12,500,002
	(US\$)	
Diluted (loss) / earnings per share	(0.62)	0.18

**25. DIVIDEND DISTRIBUTION**

IBEX Holdings Limited has not declared or paid any dividends. During the year ended June 30, 2017, one of the subsidiaries of the group declared a dividend of \$2.6 million, which was payable in full to the predecessor parent company TRGI. During the year ended June 30, 2016, two of the subsidiaries of the group declared dividends totalling \$6.6 million, of which \$4.3 million was payable to TRGI and \$2.3 million was payable to minority shareholders outside of the group.

**26. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES**

**Financial risk management**

The Group's activities expose it to a variety of financial risks: market risk (including interest rate risk and currency risk), credit risk and liquidity risk. The Board of Directors has the overall responsibility for the establishment and oversight of the Group's risk management framework.

The Group's risk management policies are established to identify and analyze the risks faced by the Group, to set appropriate risk limits and to monitor risks and adherence to limits. Risk management policies are reviewed regularly to reflect changes in the market conditions and the Group's activities.

The Group's Board of Directors oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group.

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Financial instruments by category are as follows:

	June 30, 2017	June 30, 2016
	(US\$'000)	
<b>Financial assets</b>		
Deposits	1,809	3,100
Trade receivables	47,590	54,443
Due from related parties	597	651
Cash and cash equivalents	<u>21,321</u>	<u>9,451</u>
	<u><b>71,317</b></u>	<u><b>67,645</b></u>
<b>Financial liabilities</b>		
Borrowings	57,948	58,751
Trade and other payables	25,386	21,021
Due to related parties	<u>10,617</u>	<u>5,781</u>
	<u><b>93,951</b></u>	<u><b>85,553</b></u>

**26.1 Market risk**

**26.1.1 Interest rate risk**

The Group's exposure to market risk for changes in interest rates relates primarily to the cash and bank balances and credit facilities. Borrowings under the PNC Credit Facility bear interest at LIBOR plus 1.75% or the PNC Commercial Lending Rate for domestic loans and, in the case of Term Loan C, LIBOR plus a margin of 4.0%. Borrowings under the HBC Loan Facility bear interest at the Prime Rate plus 2.50%. Other than a floating to fixed interest-rate swap entered into in August 2016 to hedge the interest rate risk on the Term Loan A under the PNC Credit Facility, the Group does not use derivative financial instruments to hedge its risk of interest rate volatility.

Based on the Group's debt position as of June 30, 2017 and taking into account the impact of the interest-rate swap referred above; a 1% change in interest rates would impact the finance costs by \$0.7 (June 30, 2016: \$0.5) million.

**26.1.2 Foreign currency exchange risk**

The Group serves many of our U.S.-based clients using contact center capacity in various countries such as Philippines, Pakistan, Nicaragua and Jamaica. Although contracts with these clients are typically priced in U.S. dollars however a substantial portion of related costs is denominated in the local currency of the country where services are provided, resulting in foreign currency exposure which could have an impact on our results of operations. Our primary foreign currency exposures are in Philippine Peso and Pakistan Rupee; to a lesser extent, we have exposures in Euro, Pound Sterling, CFA Franc (XOF), Nicaraguan Cordoba, Jamaican Dollar, Canadian Dollar and Emirati Dirham. There can be no assurance that we can take actions to mitigate such exposure in the future, and if taken, that such actions will be successful or that future changes in currency exchange rates will not have a material adverse impact on our future operating results. A significant change in the value of the U.S. Dollar against the currency of one or more countries where we operate may have a material adverse effect on our financial condition and results of operations.

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Foreign currency exchange risk arises mainly where receivables and payables exist due to transactions entered into in foreign currencies. As such, the management believe that, the Group is exposed to the following foreign currency exchange risks:

- Transaction foreign currency risk is the exchange risk associated with the time delay between entering into a contract and settling it. Greater time differences exacerbate transaction foreign currency risk, as there is more time for the two exchange rates to fluctuate.
- Translation foreign currency risk is the risk that the Group's non-U.S. Dollar assets and liabilities will change in value as a result of exchange rate changes. Monetary assets and liabilities are valued and translated into U.S. Dollars at the applicable exchange rate prevailing at the applicable date. Any adverse valuation moves due to exchange rate changes at such time are charged directly and could impact our financial position and results of operations. For the purposes of preparing the financial statements, the Group convert subsidiaries' financial statements as follows:

Statements of financial position are translated into U.S. Dollars from local currencies at the period-end exchange rate, shareholders' equity is translated at historical exchange rates prevailing on the transaction date and income and cash flow statements are translated at average exchange rates for the period.

With all other variables held constant, a 5.0% depreciation in the Philippine Peso against the U.S. dollar would have decreased net loss after taxation in the fiscal year ended June 30, 2017 by approximately \$0.5 (June 30, 2016: \$0.7) million. Conversely, a 5.0% appreciation in the Philippine Peso against the U.S. dollar would have increased net loss after taxation in the fiscal year ended June 30, 2017 by approximately \$0.5 (June 30, 2016: \$0.6) million. A 5.0% depreciation in Euro against the U.S. dollar would have decreased net loss after taxation in the fiscal year ended June 30, 2017 by approximately \$0.1 million (June 30, 2016: increase by \$0.6 million). Conversely, a 5.0% appreciation in the Euro against the U.S. dollar would have increased net loss after taxation in the fiscal year ended June 30, 2017 by approximately \$0.1 million (June 30, 2016: decrease by \$0.6 million). Similarly, a 5.0% depreciation in the Pakistan Rupee against the U.S. dollar would have decreased our net loss after taxation in the fiscal year ended June 30, 2017 by approximately \$0.02 (June 30, 2016: decrease by \$0.005) million. Conversely, a 5.0% appreciation in the Pakistan Rupee against the U.S. dollar would have increased our net loss after taxation in the fiscal year ended June 30, 2017 by approximately \$0.02 (June 30, 2016: increase by \$0.003) million.

**26.2 Credit risk**

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and causes the other party to incur a financial loss. The Group is exposed to credit risk on its accounts receivable mainly to the automotive, IT, medical and tourism sectors. The Group mitigates the risk by diversifying its client base in these sectors.

Financial instruments which potentially expose the Group to concentrations of credit risk consist primarily of cash and cash equivalents, accounts receivable, loans and advances and notes receivable. The Group's cash and cash equivalents are held with US and foreign commercial banks. The balance at times may exceed insured limits.

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Credit rating wise breakup of bank balances:

	June 30, 2017	June 30, 2016
(US\$'000)		
AA	1,053	1,064
AA-	6,781	1,459
A-1+	391	253
A-1	157	12
A+	9,411	3,089
A	228	82
A-	1,413	2,489
A2	25	105
A3	1,242	—
BBB+	3	18
BBB	—	723
BBB-	68	79
Non-rated	549	78
	<b>21,321</b>	<b>9,451</b>

The maximum exposure to credit risk is as follows:

	June 30, 2017	June 30, 2016
(US\$'000)		
<b>Financial assets</b>		
Deposits	1,809	3,100
Trade receivables	47,590	54,443
Due from related parties	597	651
Cash and cash equivalents	21,321	9,451
	<b>71,317</b>	<b>67,645</b>

The Group has the following exposure to concentration of credit risk with clients representing greater than 5% of the consolidated revenue or receivable balances:

	2017			
	Revenue		Trade debts gross	
	Amount in US\$'000	% of total	Amount in US\$'000	% of total
Client 1	86,006	26%	11,682	23%
Client 2	66,453	20%	5,641	11%
Client 3	42,574	13%	6,566	13%
	195,003	58%	23,889	47%
Others	139,001	42%	27,359	53%
	<b>334,034</b>	<b>100%</b>	<b>51,248</b>	<b>100%</b>

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	2016			
	Revenue		Trade debts gross	
	Amount in US\$'000	% of total	Amount in US\$'000	% of total
Client 1	104,869	32%	16,140	28%
Client 2	51,016	16%	14,083	25%
Client 3	47,786	15%	5,804	10%
Others	203,671	63%	36,027	63%
	<b>119,345</b>	<b>37%</b>	<b>20,905</b>	<b>37%</b>
	<b>323,016</b>	<b>100%</b>	<b>56,932</b>	<b>100%</b>

The ageing of trade debtors which are not considered as impaired as at year end is as follows:

	June 30, 2017	June 30, 2016
	(US\$'000)	
Dues 0 to 30 days	42,014	50,773
Dues 31 to 60 days	3,517	1,477
Dues 61 to 90 days	507	1,045
Dues 91 to 180 days	2,739	2,245
Dues over 180 days	2,471	1,392
Less: Provision for doubtful debts	(3,658)	(2,489)
	<b>47,590</b>	<b>54,443</b>

The Group does not hold any collateral against these assets.

Financial assets other than trade debts do not contain any impaired or non-performing assets.

**26.3 Liquidity risk**

The Group's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due. To achieve this aim, it seeks to maintain cash balances (or agreed facilities) to meet expected requirements for a period of at least 45 days. The Board receives cash flow projections on a quarterly basis as well as information regarding cash balances and investments. The liquidity risk of each group entity is managed at the entity level. Where facilities of group entities need to be increased, approval must be sought by the entity's CFO. Where the amount of the facility is above a certain level, agreement of the Group CFO and the board is needed.



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The following table presents liquidity analysis as of June 30, 2017 and 2016:

	June 30, 2017			Total
	Less than 1 Year	1-3 Years	4-5 Years	
	(US\$'000)			
Deposits	505	1,304	—	1,809
Trade receivables	47,590	—	—	47,590
Due from related parties	597	—	—	597
Cash and cash equivalents	21,321	—	—	21,321
	<u>70,013</u>	<u>1,304</u>	<u>—</u>	<u>71,317</u>
Obligation under finance leases	3,532	2,914	—	6,446
Long-term borrowings	6,210	9,078	3,642	18,930
Line of credit	23,707	—	—	23,707
Private placement notes	10,226	—	—	10,226
Convertible loan note	1,955	—	—	1,955
Trade and other payables	25,386	—	—	25,386
Due to related parties	10,617	—	—	10,617
	<u>81,633</u>	<u>11,992</u>	<u>3,642</u>	<u>97,267</u>
Net liquidity position	<u>(11,620)</u>	<u>(10,688)</u>	<u>(3,642)</u>	<u>(25,950)</u>
	June 30, 2016			
	Less than 1 Year	1-3 Years	4-5 Years	Total
	(US\$'000)			
Deposits	754	2,346	—	3,100
Trade receivables	54,443	—	—	54,443
Due from related parties	651	—	—	651
Cash and cash equivalents	9,451	—	—	9,451
	<u>65,299</u>	<u>2,346</u>	<u>—</u>	<u>67,645</u>
Obligation under finance leases	4,230	6,538	—	10,768
Long-term borrowings	6,410	6,398	—	12,808
Line of credit	18,906	—	—	18,906
Convertible loan note	20,894	—	—	20,894
Trade and other payables	21,021	—	—	21,021
Due to related parties	5,781	—	—	5,781
	<u>77,242</u>	<u>12,936</u>	<u>—</u>	<u>90,178</u>
Net liquidity position	<u>(11,943)</u>	<u>(10,590)</u>	<u>—</u>	<u>(22,533)</u>

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**27. TRANSACTIONS WITH RELATED PARTIES**

Related parties of the Group comprise of related entities, staff retirement funds, directors and key management personnel. A "related entity" is an entity that TRGI has control or significant influence over.

**27.1 Reorganization transaction**

Management considers the Reorganization Transaction to be a transaction between entities under common control as all of the combining entities or businesses were ultimately controlled by TRGI both before and after the Reorganization Transaction and such control was not transitory.

As described in note 1.1, commencing in April 2017, TRGI undertook a series of transactions ("the Reorganization Transaction"). The principal steps in the Reorganization Transaction are described below:

- TRGI incorporated the Holding Company, IBEX Global Limited, DGS Limited and Etelequote Limited as exempted companies with limited liability under the laws of Bermuda. TRGI then contributed to the Holding Company 100% of its equity interests in above newly incorporated companies ("the Continuing Business Entities"), as a result of which those three entities became wholly-owned subsidiaries of the Holding Company.
- TRGI contributed to the Holding Company a portion of its equity interest in each of the predecessor intermediate holding companies for the Continuing Business Entities sufficient to confer control over those holding companies. The Holding Company in turn contributed those equity interests downstream to the Continuing Business Entities. In addition, TRGI contributed to the Holding Company controlling equity interests in iSky, Inc. and iSky Technologies Canada, Inc., which is directly held by the Holding Company. In consideration of the contribution of these equity interests by TRGI, the Holding Company issued 4,749,860 of its common shares to TRGI.
- Mr. Jeffrey Cox, the chief executive officer of Digital Globe Services Limited, contributed to DGS Limited his entire equity interest in Digital Globe Services Limited in exchange for a number of shares in DGS Limited that gave him an indirect beneficial ownership interest in Digital Globe Services Limited equivalent to that which he held before that exchange.
- In order to eliminate an approximately 1.0% minority interest in Digital Globe Services Limited remaining after its December 2016 going-private transaction and delisting from the AIM segment of the London Stock Exchange, DGS Limited purchased all of the assets of Digital Globe Services Limited for a total purchase price of \$21,402,598, of which \$185,900 was paid in cash and \$21,216,653 was paid in the form of a promissory note in that principal amount ("DGS Limited Note"). Upon the closing of that asset purchase, Digital Globe Services Limited distributed to the approximately 1.0% minority interest the cash amount of \$185,900 (such amount, on a per share basis, representing the same amount of cash consideration as would have been paid to such minority shareholders if they had accepted the December 2016 going-private offer). In addition, Digital Globe Services Limited distributed to TRGI \$4,735,339 principal amount of the DGS Limited Note and made a distribution to DGS Limited of the remaining \$17,027,259 principal amount of the DGS Limited Note. DGS Limited then sold its equity interest in Digital Globe Services Limited to TRGI for a nominal amount.
- The Holding Company adopted a Certificate of Designation by which the 4,749,861 common shares issued to TRGI in the second step described above were converted into an equivalent number of

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preference shares, which are called the "Convertible Preference Shares". The Convertible Preference Shares have a participating dividend preference of \$2.00 per share, vote with common shares on all matters; and are automatically convertible into common shares in the event of an initial public offering on the New York Stock Exchange or the NASDAQ National Market. TRGI waived any rights to preemption it had in connection with the share issuances made in the Reorganization Transaction.

- TRGI contributed to the Holding Company its remaining equity interests in each of IBEX Global Solutions Limited, e-Telequote Plc, iSky, Inc. and iSky Technologies Canada, Inc. In addition, TRGI contributed to the Holding Company all of its interest in the \$4,735,339 principal amount of DGS Limited Note described above. In consideration of these contributions, the Holding Company issued to TRGI 6,856,139 of its common shares.
- Concurrently with the previous step, Mr. Jeffrey Cox contributed to the Holding Company all of his equity interest in DGS Limited, in exchange for 360,184 newly issued common shares of the Holding Company. In addition, Mr. Anthony Solazzo, the chief executive officer e-Telequote Plc, contributed to the Holding Company all of his equity interest in e-Telequote Plc, constituting approximately 20% of its outstanding share capital, in exchange for 533,818 newly issued common shares of the Holding Company. The number of common shares of the Holding Company issued to Messrs. Jeffrey Cox and Anthony Solazzo was determined based on the relative values of each of Digital Globe Services Limited and e-Telequote Plc. The relative values of those entities was not dependent upon the price at which common shares are being sold in this offering but rather was determined on the basis of independent third-party valuations of Digital Globe Services Limited, e-Telequote Plc and the Holding Company.

After giving effect to the above transactions (but before giving effect to the conversion of the 4,749,861 Convertible Preference Shares into common shares), TRGI holds 6,856,139, or approximately 88.5%, of the Holding Company's outstanding common shares and (after giving effect to the conversion of the 4,749,861 Convertible Preference Shares) will hold 11,606,000, or 92.8%, of the Holding Company's outstanding common shares.

DGS Limited entered into a "Profit Share Agreement" dated as of June 30, 2017 with Mr. Jeffrey Cox whereby, in exchange for his provision of services as chief executive officer of that entity, Mr. Cox will receive 13.93% of any cash dividends paid by DGS Limited to the Holding Company. The Profit Share Agreement terminates upon the earliest to occur of the satisfaction of any dividend preference on the Convertible Preference Shares, the conversion of all Convertible Preference Shares issued by the Holding Company into common shares, a sale of substantially all the assets of DGS Limited or its direct or indirect subsidiaries to an unaffiliated third party, a sale of all of the shares held by the Holding Company in any of Continuing Business Entities to an unaffiliated third party, a sale of substantially all of the assets held by any of IBEX Global Limited or Etelequote Limited to an unaffiliated third party, and June 30, 2018. On November 1, 2017, the Profit Share Agreement was amended to increase the profit share rate from 13.93% to 16.18%.

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**27.2 Related party transactions**

Material related parties balances and transactions other than reorganization transaction and those disclosed elsewhere in these consolidated financial statements, are given below:

2017					
	Relationship with related party	Service delivery revenue	Service delivery expense	Due from related parties	Due to related parties
(US\$'000)					
BPO Solutions, Inc (note 27.2.1)	Related entity	—	1,942	—	3,414
Alert Communications, Inc.	Related entity	—	—	149	—
TRG Marketing Services, Inc.	Related entity	—	—	19	—
Afiniti International Holdings Limited	Related entity	129	85	240	332
TRG Holdings, LLC	Related entity	—	—	44	198
The Resource Group International Limited (note 27.2.2)	Parent	—	—	140	6,411
TRG (Private) Limited	Related entity	—	—	5	262
		<u>129</u>	<u>2,027</u>	<u>597</u>	<u>10,617</u>
2016					
	Relationship with related party	Service delivery revenue	Service delivery expense	Due from related parties	Due to related parties
(US\$'000)					
BPO Solutions, Inc (note 27.2.1)	Related entity	—	2,064	16	2,806
Alert Communications, Inc.	Related entity	—	—	148	—
TRG Marketing Services, Inc.	Related entity	10	—	14	—
Afiniti International Holdings Limited	Related entity	175	41	259	177
TRG Holdings, LLC	Related entity	—	—	64	103
The Resource Group International Limited (note 27.2.2)	Parent	—	—	150	2,460
TRG (Private) Limited	Related entity	526	—	—	235
		<u>711</u>	<u>2,105</u>	<u>651</u>	<u>5,781</u>
2015					
	Relationship with related party			Due from related parties	Due to related parties
(US\$'000)					
BPO Solutions, Inc (note 27.2.1)	Related entity			958	1,611
Alert Communications, Inc.	Related entity			146	—
TRG Marketing Services, Inc.	Related entity			5	—
Afiniti International Holdings Limited	Related entity			208	250
TRG Holdings, LLC	Related entity			80	55
The Resource Group International Limited (note 27.2.2)	Parent			891	972
TRG (Private) Limited	Related entity			—	14
				<u>2,288</u>	<u>2,902</u>

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**27.2.1** Service delivery revenue and expenses are incurred by the Group in the ordinary course of business. These transactions were executed on mutually agreed terms. These represent call center and back office support services provided to subsidiaries of the Group.

**27.2.2** This includes accrued interest payable against convertible loan notes as discussed in note 17.

**27.2.3** In connection with a corporate reorganization of the ETQ business, the Holding Company provided an indemnity to Anthony Solazzo, the CEO of the ETQ business and a shareholder of the Company, in connection with certain reorganization steps involving Mr Solazzo's shareholding. The indemnification obligation is capped at £2.0 million. No claim under the indemnity has been made, and the Holding Company believes that any material indemnity exposure for the Holding Company is remote.

**28. CAPITAL RISK MANAGEMENT**

Capital risk management is carried out by the Group's management. The Group's board of directors sets Capital risk management policies and procedures to which our management is required to adhere. The Group's management identifies and evaluates Capital risks and enters into agreements and explore avenues to mitigate these risk exposures in accordance with the policies and procedures outlined by the Group's board of directors.

The Group manages its capital to safeguard that the Group will be able to continue as a going concern. The capital structure of the Group consists of cash at bank and in hand and cash equivalents, borrowings, as well as private placements of debt securities and preferred shares. In addition the Group's capital structure includes equity attributed to the holders of equity instruments of the Holdings Company, such as capital, reserves and results carried forward, as mentioned in the consolidated statement of changes in equity.

The Group manages its capital structure and makes the necessary adjustments in the light of changes of economic circumstances, the risk characteristics of underlying assets and the projected cash needs of the current and prospective operational / financing / investment activities. The adequacy of the Group's capital structure will depend on many factors, including capital expenditures, market developments and any future acquisition.

The Group and any of its subsidiaries are not subject to any externally imposed capital requirements, other than those imposed by generally applicable company law requirements.

In order to maintain or adjust the capital structure, the Holding Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

**29. SEGMENT INFORMATION**

Management has determined its operating segments based on reports reviewed by the Board of Directors ("BOD") that are used to assess the performance of the various components and in making resource allocation decisions. Management has determined that the lines of the business constitute operating segments. There are two operating segments, namely, customer management and customer acquisition.

**IBEX Holdings Limited**  
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Each of the operating segments identified above have their own management and leadership teams and face unique sets of market dynamics. A brief description of segments and type of revenues they generate is given below:

- Customer Management - Customer Management segment comprises the Engagement, Expansion and Experience solutions. The suite of customer engagement solutions consist of customer service, technical support and other value added outsourced back office services. This omni-channel offering is delivered through voice, email, chat, SMS, social media and other communication applications. The customer expansion solution is a derivative of the segment's customer engagement solution, combining traditional BPO solutions with the segment's sales and acquisition oriented contact center capability to allow existing clients to further mine their existing customer base. The segment's customer experience solution is comprised of a comprehensive suite of proprietary software tools to measure, monitor and manage the customer experience.
- Customer Acquisition - In the Customer Acquisition segment, the segment works with consumer-facing businesses and acquires customers for them. Most of the customer acquisition solutions are based on two steps: (a) generating or purchasing a lead or a prospect, and (b) converting that lead or prospect into a customer, most frequently through a voice-based channel. In this segment, customers are primarily acquired for clients in the telecommunications, cable, technology and insurance industries. The segment's activity for the insurance industry is conducted through segment's Medicare Insurance division, which acquires customers for the leading health insurance carriers.

The BOD assesses the Group's internal performance on the following bases:

- Third party revenue for each operating segment; and
- Adjusted EBITDA

Adjusted EBITDA is a non-GAAP financial measure that represents the Group's net (loss) / profit before finance cost, income tax expense, non-cash items of depreciation and amortization, and share-based payments. Adjustment is also made, if necessary, to eliminate the effect of non-recurring charges. Whereas EBITDA represents the Group's net (loss) / profit before finance cost, income tax expense and non-cash items of depreciation and amortization. The management believes that Adjusted EBITDA is a meaningful indicator of the health of the Group's business as it reflects the ability to generate cash that can be used to fund recurring capital expenditures as well as growth and it also disregards non-cash or non-recurring charges that the management believe are not reflective of the Group's long-term performance.

**29.1 Information about segments**

The segment information provided to the chief operating decision makers for the operating segments for the year ended June 30, 2017 and 2016 is as follows:

	2017		
	Customer management	Customer acquisition	Total
	(US\$'000)		
Segment revenue	259,367	77,116	336,483
Less: inter-segment revenue	(2,449)	—	(2,449)

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	2017		
	Customer management	Customer acquisition	Total
	(US\$'000)		
Revenue from external customers	256,918	77,116	334,034
<b>Adjusted EBITDA - June 30, 2017</b>	<b>8,084</b>	<b>8,151</b>	<b>16,235</b>
	2016		
	Customer management	Customer acquisition	Total
	(US\$'000)		
Segment revenue	261,026	63,923	324,949
Less: inter-segment revenue	(1,933)	—	(1,933)
Revenue from external customers	259,093	63,923	323,016
<b>Adjusted EBITDA - June 30, 2016</b>	<b>17,853</b>	<b>5,049</b>	<b>22,902</b>

**29.2 Adjusted EBITDA for the year**

	Note	June 30, 2017	June 30, 2016
		(US\$'000)	
Net (loss) / profit		(9,013)	1,571
Finance costs	21	6,393	5,130
Income tax expense	22	295	1,861
Depreciation and amortization		13,832	12,655
<b>EBITDA</b>		<b>11,507</b>	<b>21,217</b>
Non-recurring expenses	31.1	5,393	345
Goodwill impairment	31	54	1,426
Other income		(1,416)	(1,256)
Share-based payments		275	1,080
Foreign exchange losses		422	90
<b>Adjusted EBITDA</b>		<b>16,235</b>	<b>22,902</b>

**29.3 Revenue by location**

	Note	June 30, 2017	June 30, 2016
		(US\$'000)	
United States of America		315,132	309,218
Others		18,902	13,798
		<b>334,034</b>	<b>323,016</b>

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<b>29.4</b>	<b>(Loss) / profit by operating segment</b>		
	Customer management	(9,019)	5,486
	Customer acquisition	6	(3,915)
		<b>(9,013)</b>	<b>1,571</b>

<b>29.5</b>	<b>Non-current assets by location</b>		
	United States of America	45,842	34,289
	Others	18,724	22,136
		<b>64,566</b>	<b>56,425</b>

<b>29.6</b>	<b>Total assets by segments</b>		
	Customer management	104,653	113,390
	Customer acquisition	47,577	25,049
		<b>152,230</b>	<b>138,439</b>

<b>29.7</b>	<b>Total liabilities by segments</b>		
	Customer management	83,322	80,888
	Customer acquisition	40,170	37,804
		<b>123,492</b>	<b>118,692</b>

**30. EMPLOYEE BENEFITS EXPENSES**

Expenses recognized for employee benefits are analyzed below:

Note	June 30, 2017	June 30, 2016
(US\$'000)		
Salaries and other employee costs	190,326	180,395
Social security and other taxes	36,196	35,879
Share-based payments	323	945
Retirement - contribution plan	466	328
Pensions - defined benefit scheme	242	263
	<b>227,553</b>	<b>217,810</b>

**30.1 REMUNERATION OF KEY MANAGEMENT PERSONNEL**

The key management personnel include the senior management team, including directors.

Salaries and other employee costs	1,548	1,389
Share-based payments	35	58
	<b>1,583</b>	<b>1,447</b>



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In addition to the amounts disclosed above, a further \$300,000 of annual remuneration, together with associated bonuses, employment benefits and stock option entitlements, will be payable in future to members of the senior management team who were not employed by or providing services to the Group in the periods presented in these financial statements.

**31. OTHER OPERATING COSTS**

Rent and utilities		16,958	14,690
Communication		8,522	7,489
Maintenance, repairs and improvements		8,349	6,251
Traveling and entertainment		7,825	5,837
Goodwill impairment		54	1,426
Insurance		1,390	1,311
Legal and professional expenses		9,059	4,456
Allowance for trade receivables	10.1	1,233	3,517
Others	31.1	7,283	9,524
		<b>60,673</b>	<b>54,501</b>

**31.1** This includes non-recurring legal expenses (including settlements) of \$4.35 million and delisting costs of \$1.04 (June 30, 2016: \$0.34) million.

**32. HOLDING COMPANY INDIRECT SUBSIDIARIES**

The following entities are indirect subsidiaries of the Holding Company through IBEX Global Limited:

Description	Location	Nature of Business	Ownership %	
			2017	2016
IBEX Global Solutions Limited	England	Holding company	100%	71%
IBEX Holdings Bermuda	Bermuda	Holding company	100%	71%
Lovercius Consultants Limited	Cyprus	Call center	100%	71%
IBEX Global Europe S.a.r.l.	Luxembourg	Tech support services	100%	71%
IBEX Global ROHQ	Philippines	Regional headquarter	100%	—
TRG Customer Solutions, Inc. (TRG CS) (trading as IBEX Global Solutions)	USA	Call center	100%	71%
TRG Customer Solutions (Canada), Inc.	Canada	Call center	100%	71%
TRG Marketing Solutions Limited	England	Call center	100%	71%
Virtual World (Private) Limited	Pakistan	Call center	100%	71%
IBEX Philippines Inc.	Philippines	Call center	100%	71%
IBEX Global Solutions (Philippines) Inc.	Philippines	Call center	100%	71%
TRG Customer Solutions (Philippines), Inc.	Philippines	Call center	100%	71%
IBEX Global Solutions Senegal S.A. (formerly TRG Senegal SA.)	Senegal	Call center	100%	71%
IBEX Global Solutions (Private) Limited	Pakistan	Call center	100%	71%
IBEX Global MENA FZE	Dubai	Call center	100%	71%

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Description	Location	Nature of Business	Ownership %	
			2017	2016
IBEX I.P. Holdings Ireland Limited	Ireland	Holding company	100%	71%
IBEX Global Bermuda Limited	Bermuda	Call center	100%	71%
IBEX Global Solutions Nicaragua SA	Nicaragua	Call center	100%	71%
IBEX Global St. Lucia Limited	St. Lucia	Holding company	100%	71%
IBEX Global Jamaica Limited	Jamaica	Call center	100%	71%
IBEX Global Solutions France SARL	France	Call center	100%	71%

The following entities are indirect subsidiaries of the Holding Company through DGS Limited:

Description	Location	Nature of Business	Ownership %	
			2017	2016
Digital Globe Services, Inc.	USA	Internet marketing for residential cable services	100%	50.3%
Telsat Online, Inc.	USA	Internet marketing for non-cable telco services	100%	50.3%
DGS Worldwide Marketing Limited	Cyprus	Holding company and global marketing	100%	50.3%
DGS (Pvt.) Limited	Pakistan	Call center and support services	100%	50.3%
DGS Tech, Limited	Ireland	Tech support services	100%	50.3%
DGS EDU LLC	USA	Internet marketing for the education industry	100%	50.3%
DGS Auto LLC	USA	Motor vehicle licensing	100%	50.3%
7 Degrees LLC	USA	Digital marketing agency	100%	50.3%

The following entities are indirect subsidiaries of the Holding Company through Etelequote Limited:

Description	Location	Nature of Business	Ownership %	
			2017	2016
e - Telequote, Plc	England	Holding company	100%	80%
e - Telequote Insurance, Inc.	USA	Call center	100%	80%
Etelequote (Private) Limited	Pakistan	Call center	100%	80%
ETQ HK SPV, Inc.	USA	Profit center	100%	80%
Etelequote HK Limited	Hong Kong	Licensing & billing	100%	80%

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The following entity is an indirect subsidiary of the Holding Company through iSky, Inc.:

Description	Location	Nature of Business	Ownership %	
			2017	2016
iSky Canada Technologies Inc.	Canada	Market research	100%	—

The following entity is a joint venture of the Holding Company:

DGS Lakeball LLC (note 7)	USA	Internet marketing for commercial cable services	47.5%	47.5%
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- 32.1** TRGI delisted IBEX and DGS from Alternative Investment Market (“AIM”) London Stock Exchange by making a tender offer and acquiring 9,823,288 shares in Digital Globe Services Limited and 11,439,642 shares in IBEX Global Solutions Limited from market.
- 32.2** On November 16, 2015, Telsat acquired the call center assets in Dallas Texas and affiliate relationships from DSI Distributing, Inc. an Indiana corporation, for a purchase consideration of \$440,000, specifically to further develop the client relationship with DirectTV.
- 32.3** These consolidated financial statements were authorized for issue by Mohammed Khaishgi on behalf of the Board of Directors of the Holding Company, on November 22, 2017.

**33. SUBSEQUENT EVENTS**

On November 13, 2017, the Company issued to Amazon.com NV Investment Holdings LLC, a subsidiary of Amazon.com, Inc. (“Amazon”), a 10-year warrant to acquire 1,611,944 common shares of the Company, representing 10% of our equity on a fully diluted and as-converted basis as of the date of issuance of the warrant. The warrant is exercisable, either for cash or on a net issuance basis, at a price per share equal to the initial public offering per share.

The common shares subject to the warrant vest on an incremental basis upon the satisfaction of specified milestones that are tied to payments made by Amazon in connection with the purchase of services from us during a seven and a half year period ending on June 30, 2024, and the warrant will become fully vested when a cumulative total of \$600 million is paid by Amazon to us during this period. The vesting is partially accelerated in the event of a reorganization transaction.

The exercise price and the number of common shares issuable upon exercise of the warrant are subject to customary anti-dilution adjustments.

Amazon is entitled to customary shelf and piggy-back registration rights with respect to the common shares issued upon exercise of the warrant. Amazon may not transfer the warrant except to a wholly-owned subsidiary of Amazon.

Common Shares

Shares



**IBEX HOLDINGS LIMITED**

\_\_\_\_\_

Preliminary Prospectus

\_\_\_\_\_

Baird    Piper Jaffray    William Blair    SunTrust Robinson Humphrey

Through and including \_\_\_\_\_, 2018 (the 25th day after the date of this prospectus), all dealers that effect transactions in these securities, whether or not participating in this offering, may be required to deliver a prospectus. This is in addition to the dealer's obligation to deliver a prospectus when acting as underwriters and with respect to their unsold allotments or subscriptions.

\_\_\_\_\_, 2018

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## PART II

### INFORMATION NOT REQUIRED IN PROSPECTUS

#### **Item 6. Indemnification of Directors and Officers.**

We are a Bermuda exempted company. The Companies Act provides generally that a Bermuda company may indemnify its directors, officers and auditors against any liability which by virtue of any rule of law would otherwise be imposed on them in respect of any negligence, default, breach of duty or breach of trust, except in cases where such liability arises from fraud or dishonesty of which such director, officer or auditor may be guilty in relation to the company. The Companies Act further provides that a Bermuda company may indemnify its directors, officers and auditors against any liability incurred by them in defending any proceedings, whether civil or criminal, in which judgment is awarded in their favor or in which they are acquitted or granted relief by the Supreme Court of Bermuda pursuant to Section 281 of the Companies Act. We have adopted provisions in our bye-laws that provide that we shall indemnify our officers, directors, resident representative and members of board committees out of the funds of the company from and against all civil liabilities, loss, damage, or expense incurred or suffered by him or her as our director, officer, resident representative or committee member, and indemnity extends to any person acting as our director, officer, resident representative or committee member, in the reasonable belief that he or she has been so appointed or elected notwithstanding any defect in such appointment or election. Such indemnity shall not extend to any matter which would render it void pursuant to the Companies Act.

Our policy is to enter into indemnification agreements with our directors and executive officers. These indemnification agreements may require us, among other things, to indemnify each such director and executive officer for some expenses, including attorneys' fees, judgments, fines and settlement amounts incurred by such person in any action or proceeding arising out of such person's service as one of our directors or executive officers.

The Companies Act permits us to purchase and maintain insurance for the benefit of any officer or director in respect of any loss or liability attaching to him or her in respect of any negligence, default, breach of duty or breach of trust, whether or not we may otherwise indemnify such officer or director. Our bye-laws provide that we may maintain insurance for the benefit of any directors, alternate directors, officers, persons or member of a committee authorized under our bye-laws, employees or resident representative of the company in respect of any liability that may be incurred by them or any of them howsoever arising in connection with their respective duties or supposed duties to us. We have purchased and maintain a directors' and officers' liability policy for such purpose.

We will enter into an underwriting agreement in connection with this offering, which will provide for indemnification in limited circumstances by the underwriters of us, our officers and directors, for certain liabilities, including liabilities arising under the Securities Act of 1933, as amended, or the Securities Act.

#### **Item 7. Recent Sales of Unregistered Securities.**

During the past three years, we have issued the following securities. We believe that each of the following issuances was exempt from registration under the Securities Act in reliance on Section 4(a)(2) (or Regulation D promulgated thereunder) of the Securities Act regarding transactions not involving a public offering. No underwriters, underwriting discounts or commissions, or any public offerings were involved in these issuances of securities. We believe that our issuances of share awards to our employees, officers and consultants were exempt from registration under the Securities Act in reliance on Rule 701 under the Securities Act.

During the fiscal year ended June 30, 2017, in connection with certain reorganization transactions, we issued a total of 11,606,000 common shares of par value \$0.0001 each to our largest shareholder, The Resource Group International Limited, or TRGI, in return for its investments in IBEX Holdings Limited, IBEX Global Limited, DGS Limited and Etelequote Limited and \$190,000 in cash. As noted below, 4,749,861 of these common shares were subsequently redesignated into preference shares with the same par value of \$0.0001 per share.

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We further issued 360,184 common shares to Mr. Jeffrey Cox, president of IBEX Digital, in return for his equity interest in DGS Limited; and 533,818 common shares to Mr. Anthony Solazzo, chief executive officer of IBEX Insurance, in return for his equity interest in e-Telequote Plc.

On June 20, 2017, we redesignated 4,749,861 common shares held by TRGI into preference shares at a price of \$ 0.0001 per share. The preference shares shall automatically convert into common shares upon the consummation of a qualified public offering, with such conversion only being affected at the time and subject to the closing of the sale of securities by us pursuant to such qualified public offering. Each convertible preference share shall be converted into one common share.

On November 13, 2017, we issued to Amazon.com NV Investment Holdings LLC, a subsidiary of Amazon.com, Inc. ("Amazon"), a 10-year warrant to acquire 1,611,944 of our common shares, representing 10% of our equity on a fully diluted and as-converted basis as of the date of issuance of the warrant. The warrant is exercisable, either for cash or on a net issuance basis, at a price per share equal to the initial public offering per share in this offering.

The common shares subject to the warrant vest on an incremental basis upon the satisfaction of specified milestones that are tied to payments made by Amazon in connection with the purchase of services from us during a seven and a half year period ending on June 30, 2024, and the warrant will become fully vested when a cumulative total of \$600 million is paid by Amazon to us during this period. The vesting is partially accelerated in the event of a reorganization transaction (as defined in the warrant).

The exercise price and the number of common shares issuable upon exercise of the warrant are subject to customary anti-dilution adjustments.

Amazon is entitled to customary shelf and piggy-back registration rights with respect to the common shares issued upon exercise of the warrant. Amazon may not transfer the warrant except to a wholly-owned subsidiary of Amazon.

**Item 8. Exhibits and Financial Statement Schedules.**

(a) The following exhibits are filed as part of this Registration Statement:

Exhibit Number	Description
1.1*	Form of Underwriting Agreement.
3.1	Memorandum of Association.
3.2	Bye-laws.
3.3*	Amended Memorandum of Association to be effective upon the closing of this offering.
3.4*	Amended and Restated Bye-laws to be effective upon the closing of this offering.
3.5	Amended and Restated Certificate of Designation, Preferences and Rights of Convertible Preference Shares.
4.1*	Form of Certificate of common shares of the Registrant.
5.1*	Opinion of ASW Law Limited, Bermuda counsel to the Registrant, as to the validity of the common shares being offered.
8.1*	Opinion of ASW Law Limited, Bermuda counsel to the Registrant, as to certain Bermuda tax matters.
8.2*	Opinion of DLA Piper LLP (US), U.S. counsel to the Registrant, as to certain U.S. tax matters.
10.1*	2017 Stock Plan.
10.2	Registration Rights Agreement, dated as of September 15, 2017, by and between IBEX Holdings Limited and The Resource Group International, Limited.
10.3	Stockholders' Agreement, dated as of September 15, 2017, by and between IBEX Holdings Limited and The Resource Group International, Limited.

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Exhibit Number	Description
10.4	Revolving Credit and Security Agreement, dated November 8, 2013, by and between TRG Customer Solutions, Inc. and PNC Bank, N.A.
10.5	First Amendment, dated May 21, 2014, to the Revolving Credit and Security Agreement, dated November 8, 2013, by and between TRG Customer Solutions, Inc. and PNC Bank, N.A.
10.6	Second Amendment, dated October 2, 2014, to the Revolving Credit and Security Agreement, dated November 8, 2013, by and between TRG Customer Solutions, Inc. and PNC Bank, N.A.
10.7	Third Amendment, dated February 23, 2015, to the Revolving Credit and Security Agreement, dated November 8, 2013, by and between TRG Customer Solutions, Inc. and PNC Bank, N.A.
10.8	Fourth Amendment, dated June 19, 2015, to the Revolving Credit and Security Agreement, dated November 8, 2013, by and between TRG Customer Solutions, Inc. and PNC Bank, N.A.
10.9	Fifth Amendment, dated June 26, 2015, to the Revolving Credit and Security Agreement, dated November 8, 2013, by and between TRG Customer Solutions, Inc. and PNC Bank, N.A.
10.10	Sixth Amendment, dated June 30, 2015, to the Revolving Credit and Security Agreement, dated November 8, 2013, by and between TRG Customer Solutions, Inc. and PNC Bank, N.A.
10.11	Seventh Amendment, dated November 7, 2016, to the Revolving Credit and Security Agreement, dated November 8, 2013, by and between TRG Customer Solutions, Inc. and PNC Bank, N.A.
10.12	Eighth Amendment, dated November 18, 2016, to the Revolving Credit and Security Agreement, dated November 8, 2013, by and between TRG Customer Solutions, Inc. and PNC Bank, N.A.
10.13	Loan and Security Agreement, dated March 31, 2015, by and among Digital Globe Services, Inc., TelsatOnline Inc., DGS EDU, LLC, and Heritage Bank of Commerce.
10.14	Form of 2015 e-TeleQuote Insurance, Inc. Senior Secured Note.
10.15	Form of 2016 e-TeleQuote Insurance, Inc. Senior Secured Note.
10.16	Form of 2017 e-TeleQuote Insurance, Inc. Senior Secured Note.
10.17	Loan Agreement, between TRG Customer Solutions, Inc. and e-TeleQuote PLC.
10.18	Share Transfer and Exchange Agreement, dated June 28, 2017, by and among The Resource Group International Limited, Etelequote Plc., Anthony Solazzo and Forward March Limited.
10.19	Share Transfer and Exchange, dated June 28, 2017, by and among Forward March Limited, DGS Limited and Jeffrey Cox.
10.20	Profit Share Agreement, dated June 30, 2016, by and between Jeffrey Cox and DGS Ltd.
10.21	First Amendment, dated November 1, 2017, to the Profit Share Agreement, dated June 30, 2016, by and between Jeffrey Cox and DGS Ltd.
10.22†	Warrant, dated November 13, 2017, issued to Amazon.com NV Investment Holdings LLC
10.23*	Form of director agreement
16.1**	Letter of Grant Thornton UK LLP regarding change in certifying accountant.
16.2**	Letter of KPMG LLP regarding change in certifying accountant.
21.1*	Subsidiaries of IBEX Holdings Limited.
23.1*	Consent of BDO LLP, independent registered public accounting firm.
23.2*	Consent of ASW Law Limited. (included in Exhibit 5.1)
23.2*	Consent of ASW Law Limited. (included in Exhibit 8.1)
23.2*	Consent of DLA Piper LLP. (US) (included in Exhibit 8.2)
24.1*	Powers of Attorney. (included in the signature pages hereto)

\* To be filed by amendment.

\*\*Previously filed.

† Confidential treatment has been requested for certain portions of this exhibit. The confidential portions of this exhibit have been omitted and filed separately with Securities and Exchange Commission.

**Item 9. Undertakings.**

- (a) The undersigned registrant hereby undertakes to provide to the underwriters at the closing specified in the underwriting agreement, certificates in such denominations and registered in such names as required by the underwriters to permit prompt delivery to each purchaser.
- (b) Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the SEC such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.
- (c) The undersigned registrant hereby undertakes that:
  - (1) For purposes of determining any liability under the Securities Act, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this registration statement as of the time it was declared effective.
  - (2) For the purpose of determining any liability under the Securities Act, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

**Item 16F. Change in Registrant's Certifying Accountant**

**Replacement of Grant Thornton UK LLP**

In May 2017, following a competitive bidding process, our Audit Committee recommended to the Board of Directors that BDO LLP be appointed to replace Grant Thornton UK LLP as chartered accountants and registered auditors in the United Kingdom of our subsidiary IBEX Global Solutions Ltd. (formerly known as IBEX Global Solutions Plc) and its consolidated subsidiaries beginning with the fiscal year ending June 30, 2016. Grant Thornton UK LLP resigned as the statutory auditor of the IBEX Global Solutions Group on June 1, 2017.

BDO LLP has performed audits of the consolidated financial statements of IBEX Global Solutions Ltd. as of June 30, 2016 and 2017, and for each of the two years in the period ended June 30, 2017, in connection with its audits of the consolidated financial statements of IBEX Holdings Limited as of June 30, 2016 and 2017, and for each of the two years in the period ended June 30, 2017, in accordance with the standards of the U.S. Public Company Accounting Oversight Board.

Grant Thornton UK LLP performed a statutory audit of the consolidated financial statements of IBEX Global Solutions Ltd., prepared under International Financial Reporting Standards as adopted by the European Union, for the fiscal year ended June 30, 2016 in accordance with International Standards on Auditing (U.K. and Ireland). Neither Grant Thornton UK LLP's report relating to the statutory audit, nor the historic financial statements, prepared under



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International Financial Reporting Standards as adopted by the European Union, are included or incorporated by reference in this Registration Statement. Grant Thornton UK LLP's statutory audit report did not contain an adverse opinion or a disclaimer of opinion, and it was not qualified or modified as to uncertainty, audit scope or accounting principles.

In connection with the statutory audit performed by Grant Thornton UK LLP under International Standards on Auditing (U.K. and Ireland) of the consolidated financial statements of IBEX Global Solutions Ltd., prepared under International Financial Reporting Standards as adopted by the European Union, for the fiscal year ended June 30, 2016, IBEX Global Solutions Ltd. did not have any disagreements with Grant Thornton UK LLP on any matters of accounting principles or practices, financial statement disclosure, or auditing scope or procedure which, if not resolved to the satisfaction of Grant Thornton UK LLP would have caused Grant Thornton UK LLP to make reference to such matter in its report.

In connection with the statutory audit performed by Grant Thornton UK LLP under International Standards on Auditing (U.K. and Ireland) of the consolidated financial statements of IBEX Global Solutions Ltd., prepared under International Financial Reporting Standards as adopted by the European Union, for the fiscal year ended June 30, 2016, and through the period ended June 1, 2017, none of the "reportable events" described in paragraphs (A) through (D) of Item 16F(a)(1)(v) of Form 20-F occurred.

Prior to BDO LLP's engagement, we did not consult BDO LLP regarding either (i) the application of accounting principles to a specified transaction, either completed or proposed, or the type of audit opinion that might be rendered on IBEX Global Solutions Ltd.'s consolidated financial statements, or (ii) any matter that was either the subject of a "disagreement" or a "reportable event" as described in Item 16F(a)(1)(iv) and Item 16F(a)(1)(v) of Form 20-F.

We have requested that Grant Thornton UK LLP furnish a letter addressed to the Securities and Exchange Commission stating whether Grant Thornton UK LLP agrees with the above statements, and, if not, stating the respects in which it does not agree. Such letter is included as Exhibit 16.1 to this Registration Statement on Form F-1.

***Replacement of KPMG LLP***

In March 2017, our Audit Committee recommended to the Board of Directors that BDO LLP be appointed to replace KPMG LLP as auditor in the United Kingdom of our subsidiary Digital Globe Services, Ltd. and its consolidated subsidiaries beginning with the fiscal year ending June 30, 2017. KPMG LLP ceased to be the auditor of the DGS Group on March 28, 2017.

BDO LLP has performed audits of the consolidated financial statements of Digital Globe Services, Ltd. as of June 30, 2016 and 2017, and for each of the two years in the period ended June 30, 2017, in connection with its audits of the consolidated financial statements of IBEX Holdings Limited as of June 30, 2016 and 2017, and for each of the two years in the period ended June 30, 2017, in accordance with the standards of the U.S. Public Company Accounting Oversight Board.

KPMG LLP performed an audit of the consolidated financial statements of Digital Globe Services, Ltd., prepared under US GAAP, for the fiscal year ended June 30, 2016 in accordance with International Standards on Auditing (U.K. and Ireland). Neither KPMG LLP's report relating to the audit, nor the historic financial statements, are included or incorporated by reference in this Registration Statement. KPMG LLP's audit report did not contain an adverse opinion or a disclaimer of opinion, and it was not qualified or modified as to uncertainty, audit scope or accounting principles.

In connection with the audit performed by KPMG LLP under International Standards on Auditing (U.K. and Ireland) of the consolidated financial statements of Digital Globe Services, Ltd., prepared under US GAAP, for the fiscal year

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ended June 30, 2016, Digital Globe Services, Ltd. did not have any disagreements with KPMG LLP on any matters of accounting principles or practices, financial statement disclosure, or auditing scope or procedure which, if not resolved to the satisfaction of KPMG LLP would have caused KPMG LLP to make reference to such matter in its report.

In connection with the audit performed by KPMG LLP under International Standards on Auditing (U.K. and Ireland) of the consolidated financial statements of Digital Globe Services, Ltd., prepared under US GAAP for the fiscal year ended June 30, 2016, and through the period ended March 28, 2017, none of the "reportable events" described in paragraphs (A) through (D) of Item 16F(a)(1)(v) of Form 20-F occurred.

Prior to BDO LLP's engagement, we did not consult BDO LLP regarding either (i) the application of accounting principles to a specified transaction, either completed or proposed, or the type of audit opinion that might be rendered on Digital Globe Services, Ltd.'s consolidated financial statements, or (ii) any matter that was either the subject of a "disagreement" or a "reportable event" as described in Item 16F(a)(1)(iv) and Item 16F(a)(1)(v) of Form 20-F.

We have requested that KPMG LLP furnish a letter addressed to the Securities and Exchange Commission stating whether KPMG LLP agrees with the above statements, and, if not, stating the respects in which it does not agree. Such letter is included as Exhibit 16.2 to this Registration Statement on Form F-1.

## SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, the registrant certifies that it has reasonable grounds to believe that it meets all the requirements for filing on Form F-1 and has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in \_\_\_\_\_ on the \_\_\_\_\_, 2018.

By: \_\_\_\_\_  
Name: Mohammed Khaishgi  
Title: Chief Executive Officer  
(Principal Executive Officer)

## POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints his true and lawful attorney-in-fact, with full power of substitution and resubstitution for him and in his name, place and stead, in any and all capacities to sign any and all amendments including post-effective amendments to this registration statement (including, without limitation, any additional registration statement filed pursuant to Rule 462 under the Securities Act of 1933), and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, hereby ratifying and confirming all that said attorney-in-fact or his substitute, each acting alone, may lawfully do or cause to be done by virtue thereof.

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons in the capacities and on the dates indicated.

<u>Name</u>	<u>Position</u>	<u>Date</u>
_____	Chairman of the Board	
_____	Chief Executive Officer and Director (Principal Executive Officer)	
Mohammed Khaishgi		
_____	Chief Financial Officer (Principal Accounting and Financial Officer)	
Karl Gabel		
_____	Director	
_____	Director	
_____	Director	
_____	Director	
_____	Director	

Authorized Representative in the U.S.:

By: \_\_\_\_\_  
Name:  
Title:  
Date:

BERMUDA

THE COMPANIES ACT 1981

MEMORANDUM OF ASSOCIATION OF COMPANY LIMITED BY SHARES  
Section 7(1) and (2)

MEMORANDUM OF ASSOCIATION

OF

Forward March Limited

(hereinafter referred to as "the Company")

1. The liability of the members of the Company is limited to the amount (if any) of the time being unpaid on the shares respectively held by them.

2. The undersigned, namely,

Name and Address	Bermudian Status (Yes or No)	Nationality	Number of Shares Subscribed
Compass Administration Services Ltd. Crawford House 50 Cedar Avenue Hamilton HM 11	Yes	Bermuda	1

do hereby agree to take such number of shares of the Company as may be allotted to us by the provisional director(s) of the Company, not exceeding the number of shares for which we have subscribed, and to satisfy such calls as may be made by the directors, provisional director(s) or promoters of the Company in respect of the shares allotted to us respectively.

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3. The Company is to be an exempted Company as defined by the Companies Act 1981.
4. The Company, with the consent of the Minister of Finance, has power to hold land situate in Bermuda not exceeding \_\_\_ in all, including the following parcels: -N/A
5. The authorised share capital of the Company is US\$12,000.00 divided into 120,000,000 shares of par value US\$0.0001 each.
6. the objects for which the Company is formed and incorporated are unrestricted.
7. The following are provision regarding the powers of a Company:
  - i) Has the powers of a natural person;
  - ii) Subject to the provisions of Section 42 of the Companies Act 1981, has the power to issue preference shares which at the option of the holders thereof are to be liable to be redeemed;
  - iii) Has the power to purchase its own shares in accordance with the provisions of Section 42A of the Companies Act 1981; and
  - iv) Has the power to acquire its own shares to be held as treasury shares in accordance with the provisions of Section 428 of the Companies Act 1981.

Signed by subscribed in the presence of a witness attesting the signature thereof:-

/s/ Laetitia Hupman  
Laetitia Hupman  
Duly authorised, for and on behalf of  
Compass Administration Services Ltd.

(Subscriber)

Subscribed this 28<sup>th</sup> day of February 2017

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/s/  
(Witness)

**BYE-LAWS  
OF  
Forward March Limited**

CERTIFIED that the within-written bye-laws are a true copy of the bye-laws of Compass Administration Services Ltd (the "Company") as approved and adopted as the bye-laws of the Company (the "Bye-Laws") by written resolution constituting the statutory general meeting of the sole member of the Company dated and effective on 3 March 2017.



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Duly Authorised  
For and on behalf of  
Compass Administration Services Ltd.  
Secretary



**Prepared by**  
*ASW Law Limited  
Barristers & Attorneys  
Crawford House  
50 Cedar Avenue  
Hamilton, HM 11  
Bermuda*

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## INTERPRETATION

### 1. Definitions and Interpretation

1.1 In these Bye-laws, the following words and expressions shall, where not inconsistent with the context, have the following respective meanings:

"Alternate Director"	an alternate director appointed in accordance with these Bye-laws;
"Auditor"	includes any individual auditor or partnership of auditors;
"Board"	the board of directors of the Company appointed or elected pursuant to these Bye-laws and acting by resolution in accordance with the Companies Act and these Bye-laws or the directors present at a meeting of directors at which there is a quorum;
"Bye-laws"	means these Bye-laws in their present form or as from time to time amended;
"Companies Act"	the Companies Act 1981, as amended from time to time;
"Company"	the company incorporated in Bermuda under the name of Forward March Limited on 28 February 2017;
"Director"	any person duly elected or appointed as a director of the Company and shall include an Alternate Director or any person occupying the position of director by whatever name called;
"Further Financing"	any form of debt or equity financing of the Company including by way of an issue of shares, options, warrants or other convertible instruments or securities;
"Member"	the person registered in the Register of Members as the holder of shares in the Company and, when two or more persons are so registered as joint holders of shares, means the person whose name stands first in the Register of Members as one of such joint holders or all of such persons, as the context so requires;
"Memorandum"	means the Memorandum of Association of the Company, as from time to time amended;
"notice"	written notice as further provided in these Bye-laws unless otherwise specifically stated;

"Officer"	any person appointed by the Board to hold an office in the Company;
"Register of Directors Officers"	the register of directors and officers referred to in and these Bye-laws;
"Register of Members"	the register of members referred to in these Bye-laws;
"Registered Office"	the registered office for the time being of the Company;
"Resident Representative"	any person appointed to act as resident representative of the Company and includes any deputy or assistant resident representative;
"Secretary"	the person appointed to perform any or all of the duties of secretary of the Company and includes any deputy or assistant secretary and any person appointed by the Board to perform any of the duties of the Secretary;
"share"	means a share in the capital of the Company and includes a fraction of a share; and
"Treasury Share"	a share of the Company that was or is treated as having been acquired and held by the Company and has been held continuously by the Company since it was so acquired and has not been cancelled.

In these Bye-laws, where not inconsistent with the context:

- (a) words denoting the plural number include the singular number and vice versa;
- (b) words denoting the masculine gender include the feminine and neuter genders;
- (c) words importing persons include companies, associations or bodies of persons whether corporate or not;
- (d) the words:
  - (i) "may" shall be construed as permissive; and
  - (ii) "shall" shall be construed as imperative; and
- (e) unless otherwise provided in these Bye-laws, words or expressions defined in the Companies Act shall bear the same meaning in these Bye-laws.

1.3 In these Bye-laws expressions referring to writing or its cognates shall, unless the contrary intention appears, include facsimile, printing, lithography, photography, electronic mail and other modes of representing words in visible form.

1.4 Headings used in these Bye-laws are for convenience only and are not to be used or relied upon in the construction hereof.

## SHARES

### 2. Power to Issue Shares

2.1 Subject to these Bye-laws and to any resolution of the Members to the contrary, and without prejudice to any special rights previously conferred on the holders of any existing shares or class of shares, the Board shall have the power to issue any unissued shares on such terms and conditions as it may determine and any shares or class of shares may be issued with such preferred, deferred or other special rights or such restrictions, whether in regard to dividend, voting, return of capital, or otherwise as the Company may by resolution of the Members prescribe.

2.2 Subject to the provisions of these provisions of these Bye-laws and any limitations prescribed by law, and without prejudice to any special rights previously conferred on the holders of any existing class or series of shares, any class or series of shares may be issued with such preferred or other special rights as the Board may determine (including such preferred or other special rights or restrictions with respect to dividend, voting, liquidation or other rights of the shares as may be determined by the Board). The Board may establish from time to time the number of shares to be included in each such class or series, which number may be increased (except as otherwise provided by the Board in creating such class or series) or decreased (but not below the number of shares thereof then in issue) from time to time by resolution of the Board, and to fix the designation, powers, preferences, redemption provisions restrictions and rights to such class or series and the qualifications, limitations or restrictions thereof. The terms of any class or series of shares shall be set forth in a Certificate of Designation in the minutes of the Board authorising the issuance of such shares but shall not form part of these Bye-laws, and may be examined by any Member on request.

2.3 Without limiting the foregoing and subject to the Companies Act, the Company may issue preference shares which (i) are liable to be redeemed on the happening of a specified event or events or on a given date or dates and/or (ii) are liable to be redeemed at the option of the Company and/or the holder. The terms and manner of redemption of any redeemable shares shall be as the Board may by resolution determine before the allotment of such shares and the terms and manner of redemption of any other redeemable preference shares shall be either (i) as the Company may by resolution determine or (ii) insofar as the Board is so authorised by any resolution, as the Board may by resolution determine, in either case, before the allotment of such shares.

**3. Power of the Company to Purchase its Shares**

- 3.1 The Company may purchase its own shares for cancellation or to acquire them as Treasury Shares in accordance with the Companies Act on such terms as the Board shall think fit. No such purchase shall be made if there are reasonable grounds for believing that the Company is, or after the purchase would be, unable to pay its liabilities as they become due.
- 3.2 The Board may exercise all the powers of the Company to purchase or acquire all or any part of its own shares in accordance with the Companies Act.
- 3.3 Shares so purchased by the Company under this Bye-law shall be treated as cancelled and the amount of the Company's issued capital shall be reduced by the nominal value of those shares accordingly but the purchase of shares under this Bye-law shall not be taken as reducing the amount of the Company's authorised share capital.

**4. Rights Attaching to Shares**

- 4.1 Subject to any resolution of the Members to the contrary (and without prejudice to any special rights conferred thereby on the holders of any other shares or class of shares), the share capital shall be divided into shares of a single class the holders of which shall, subject to these Bye-laws;
- (a) be entitled to one vote per share;
  - (b) be entitled to such dividends as the Board may from time to time declare;
  - (c) in the event of a winding-up or dissolution of the Company, whether voluntary or involuntary or for the purpose of a reorganisation or otherwise or upon any distribution of capital, be entitled to the surplus assets of the Company; and
  - (d) generally be entitled to enjoy all of the rights attaching to shares.
- 4.2 All the rights attaching to a Treasury Share shall be suspended and shall not be exercised by the Company while it holds such Treasury Share and, except where required by the Companies Act, all Treasury Shares shall be excluded from the calculation of any percentage or fraction of the share capital, or shares, of the Company.
- 4.3 At the discretion of the Board, whether or not in connection with the issuance and sale of any shares or other securities of the Company, the Company may issue securities, contracts, warrants or other instruments evidencing any shares, option rights, securities having conversion or option rights, or obligations on such terms, conditions and other provisions as are fixed by the Board including, without limiting the generality of this authority, conditions that preclude or limit any person or persons owning or offering to acquire a specified number or percentage of the issued common shares, other shares, option rights, securities having conversion or option rights, or obligations of the Company or transferee of the person or persons from exercising, converting, transferring or receiving the shares, option rights, securities having conversion or option rights, or obligations.

**5. Calls on Shares**

The Board may make such calls as it thinks fit upon the Members in respect of any moneys (whether in respect of nominal value or premium) unpaid on the shares allotted to or held by such Members and, if a call is not paid on or before the day appointed for payment thereof, the Member may at the discretion of the Board be liable to pay the Company interest on the amount of such call at such rate as the Board may determine, from the date when such call was payable up to the actual date of payment. The Board may differentiate between the holders as to the amount of calls to be paid and the times of payment of such calls.

The joint holders of a share shall be jointly and severally liable to pay all calls and any interest, costs and expenses in respect thereof.

The Company may accept from any Member the whole or a part of the amount remaining unpaid on any shares held by him, although no part of that amount has been called up.

**6. Forfeiture of Shares**

- 6.1 If any Member fails to pay, on the day appointed for payment thereof, any call in respect of any share allotted to or held by such Member, the Board may, at any time thereafter during such time as the call remains unpaid, direct the Secretary to forward such Member a notice in writing in the form set out at Schedule "A", or as near to such form as circumstances admit.
- 6.2 If the requirements of such notice are not complied with, any such share may at any time thereafter before the payment of such call and the interest due in respect thereof be forfeited by a resolution of the Board to that effect, and such share shall thereupon become the property of the Company and may be disposed of as the Board shall determine. Without limiting the generality of the foregoing, the disposal may take place by sale, repurchase, redemption or any other method of disposal permitted by and consistent with these Bye-laws and the Companies Act.
- 6.3 A Member whose share or shares have been so forfeited shall, notwithstanding such forfeiture, be liable to pay to the Company all calls owing on such share or shares at the time of the forfeiture, together with all interest due on such share or shares and any costs and expenses incurred by the Company in connection with such share or shares.
- 6.4 The Board may accept the surrender of any shares which it is in a position to forfeit on such terms and conditions as may be agreed. Subject to those terms and conditions, a surrendered share shall be treated as if it had been forfeited.

**7. Share Certificates**

- 7.1 Every Member shall be entitled to a certificate under the common seal of the Company or bearing the signature (or a facsimile thereof) of a Director or the Secretary or a person expressly authorised to sign specifying the number and, where appropriate, the class of shares held by such Member and whether the same are fully paid up and, if not, specifying the amount paid on such shares. The Board may by resolution determine, either generally or in a particular case, that any or all signatures on certificates may be printed thereon or affixed by mechanical means.
- 7.2 The Company shall be under no obligation to complete and deliver a share certificate unless specifically called upon to do so by the person to whom the shares have been allotted.
- 7.3 If any share certificate shall be proved to the satisfaction of the Board to have been worn out, lost, mislaid, or destroyed the Board may cause a new certificate to be issued and request indemnity for the lost certificate if it sees fit.

**8. Fractional Shares**

The Company may issue its shares in fractional denominations and deal with such fractions to the same extent as its whole shares and shares in fractional denominations shall have in proportion to the respective fractions represented thereby all of the rights of whole shares including (but without limiting the generality of the foregoing) the right to vote, to receive dividends and distributions and to participate in a winding-up.

**REGISTRATION OF SHARES**

**9. Register of Members**

- 9.1 The Board shall cause to be kept in one or more books a Register of Members and shall enter in such Register of Members the particulars required by the Companies Act.
- 9.2 The Register of Members shall be open to inspection without charge at the registered office of the Company on every business day, subject to such reasonable restrictions as the Board may impose, so that not less than two hours in each business day be allowed for inspection. The Register of Members may, after notice has been given in accordance with the Companies Act, be closed for any time or times not exceeding in the whole thirty days in each year.

**10. Registered Holder Absolute Owner**

The Company shall be entitled to treat the registered holder of any share as the absolute owner thereof and accordingly shall not be bound to recognise any equitable claim or other claim to, or interest in, such share on the part of any other person.

**11. Transfer of Registered shares**

- 11.1 An instrument of transfer shall be in writing in the form set out at Schedule "B", or as near to such form as circumstances admit, or in such other form as the Board may accept.



- 11.2 Such instrument of transfer shall be signed by or on behalf of the transferor and transferee, provided that, in the case of a fully paid share, the Board may accept the instrument signed by or on behalf of the transferor alone. The transferor shall be deemed to remain the holder of such share until the same has been registered as having been transferred to the transferee in the Register of Members.
- 11.3 The Board may refuse to recognise any instrument of transfer unless it is accompanied by the certificate in respect of the shares to which it relates and by such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer.
- 11.4 The joint holders of any share may transfer such share to one or more of such joint holders, and the surviving holder or holders of any share previously held by them jointly with a deceased Member may transfer any such share to the executors or administrators of such deceased Member.
- 11.5 The Board may in its absolute discretion and without assigning any reason therefor refuse to register the transfer of a share. The Board shall refuse to register a transfer unless all applicable consents, authorisations and permissions of any governmental body or agency in Bermuda have been obtained. If the Board refuses to register a transfer of any share the Secretary shall, within three months after the date on which the transfer was lodged with the Company, send to the transferor and transferee notice of the refusal.

**12. Transmission of Registered Shares**

- 12.1 In the case of the death of a Member, the survivor or survivors where the deceased Member was a joint holder, and the legal personal representatives of the deceased Member where the deceased Member was a sole holder, shall be the only persons recognised by the Company as having any title to the deceased Member's interest in the shares. Nothing herein contained shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by such deceased Member with other persons. Subject to the Companies Act, for the purpose of this Bye-law, legal personal representative means the executor or administrator of a deceased Member or such other person as the Board may, in its absolute discretion, decide as being properly authorised to deal with the shares of a deceased Member.
- 12.2 Any person becoming entitled to a share in consequence of the death or bankruptcy of any Member or otherwise by operation of law may be registered as a Member upon such evidence as the Board may deem sufficient or may elect to nominate some person to be registered as a transferee of such share, and in such case the person becoming entitled shall execute in favour of such nominee an instrument of transfer in writing in the form set out at Schedule "C" or as near to such form as circumstances admit.
- 12.3 On the presentation of the foregoing materials to the Board, accompanied by such evidence as the Board may require to prove the title of the transferor, the transferee shall be registered as a Member. Notwithstanding the foregoing, the Board shall, in any case, have the same right to decline or suspend registration as it would have had in the case if a transferor of the share by that Member before such Member's death or bankruptcy, as the case may be.

12.4 Where two or more persons are registered as joint holders of a share or shares, then in the event of the death of any joint holder or holders the remaining joint holder or holders shall be absolutely entitled to such share or shares and the Company shall recognise no claim in respect of the estate of any joint holder except in the case of the last survivor of such joint holders.

#### ALTERATION OF SHARE CAPITAL

#### 13. Power to Alter capital

13.1 The Company may if authorised by resolution of the Members increase, divide, consolidate, subdivide, change the currency denomination of, diminish or otherwise alter or reduce its share capital in any manner permitted by the Companies Act.

13.2 Where, on any alteration or reduction of share capital, fractions of shares or some other difficulty would arise, the Board may deal with or resolve the same in such manner as it thinks fit.

#### 14. Variation of Rights Attaching to Shares

If, at any time, the share capital is divided into different classes of shares, the rights attached to any class may, whether or not the Company is being wound-up, be varied with:

- (a) the approval of the Board; or
- (b) the consent of a majority of the Members voting a single class, with the holders of preference shares being entitled to vote on the basis that their preference shares had converted to common shares in accordance with these Bye-Laws,

and shall not require a separate consent of the holders of the Shares whose rights are varied, unless such variation would result in an adverse variation of the rights, preferences, privileges, powers, or restrictions of any class of shares and is made for a purpose other than in connection with a Further Financing, in which case such variation will require the consent in writing of the holders of not less than three-fourths of the issued shares of each class to be varied or with the sanction of a resolution passed by a majority of the votes cast at a separate general meeting of the holders of the shares of each class to be varied, at which meeting the necessary quorum shall be one person at least holding or representing by proxy one-third of the issued shares of the class to be varied. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith.

**15. Annual General Meetings**

Unless the Members elect otherwise by resolution at a general meeting, the annual general meeting shall be held in each year (other than the year of incorporation) at such time and place as the President or the Chairman (if any) or any two Directors or any Director and the Secretary or the Board shall appoint.

**16. Special General Meetings**

The President or the Chairman (if any) or any two Directors or any Director and the Secretary or the Board may convene a special general meeting whenever in their Judgment such a meeting is necessary.

**17. Requisitioned General Meetings**

The Board shall, on the requisition of Members holding at the date of the deposit of the requisition not less than one-tenth of such of the paid-up share capital of the Company as at the date of the deposit carries the right to vote at general meetings, forthwith proceed to convene a special general meeting and the provisions of the Companies Act shall apply.

**18. Notice**

18.1 At least five days' notice of an annual general meeting shall be given to each Member entitled to attend and vote at such meeting, stating the date, place and time at which the meeting is to be held, that the election of Directors will take place thereat, and as far as practicable, the other business to be conducted at the meeting.

18.2 At least five days' notice of a special general meeting shall be given to each Member entitled to attend and vote at such meeting, stating the date, time, place and the general nature of the business to be considered at the meeting.

18.3 The Board may fix any date as the record date for determining the Members entitled to receive notice of and to vote at any general meeting.

18.4 A general meeting shall, notwithstanding that it is called on shorter notice than that specified in these Bye-laws, be deemed to have been properly called if it is so agreed by (i) all the Members entitled to attend and vote thereat in the case of an annual general meeting; and (ii) by a majority in number of the Members having the right to attend and vote at the meeting, being a majority together holding not less than 95% in nominal value of the shares giving a right to attend and vote at such meeting in the case of a special general meeting.

18.5 The accidental omission to give notice of a general meeting to, or the non-receipt of a notice of a general meeting by, any person entitled to receive notice shall not invalidate the proceedings at that meeting.

**19. Giving Notice and Access**

19.1 A notice may be given by the Company to a Member:

- (a) by delivering it to such Member in person; or
- (b) by sending it by letter mail or courier to such Member's address in the Register of Members; or
- (c) by transmitting it by electronic means (including facsimile and electronic mail, but not telephone) in accordance with such directions as may be given by such Member to that Company for such purpose; or
- (d) in accordance with Bye-law 19.4.

19.2 Any notice required to be given to a Member shall, with respect to any shares held jointly by two or more persons, be given to whichever of such persons is named first in the Register of Members and notice so given shall be sufficient notice to all the holders of such shares.

19.3 Any notice (save for one delivered in accordance with Bye-law 19.4) shall be deemed to have been served at the time when the same would be delivered in the ordinary course of transmission and, in providing such service, it shall be sufficient to prove that the notice was properly addressed and prepaid, if posted, and the time when it was posted, delivered to the courier or transmitted by electronic means.

19.4 Where a Member Indicates his consent (in a form and manner satisfactory to the Board) to receive information or documents by accessing them on a website rather than by other means, the Board may deliver such information or documents by notifying the Member of their availability and including therein the address of the website, the place on the website where the information or document may be found, and instructions as to how the information or document may be accessed on the website.

19.5 In the case of information or documents delivered in accordance with Bye-law 19.4, service shall be deemed to have occurred when (i) the Member is notified in accordance with that Bye-law; and (ii) the information or document is published on the website.

**20. Postponement of General Meeting**

The Secretary may postpone any general meeting called in accordance with these Bye-laws if such postponement is given to the Members before the time of such meeting. Fresh notice of the date, time and place for the postponed meeting shall be given to each Member in accordance with these Bye-laws.

**21. Telephonic or Electronic Participation In Meetings**

Members may participate in any general meeting by telephonic or such other electronic means as permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously, and participation in such a meeting shall constitute presence in person at such meeting.

**22. Quorum at General Meetings**

- 22.1 At any general meeting one or more Members present in person or by proxy and representing in excess of a majority of the total issued voting shares in the Company throughout the meeting shall form a quorum for the transaction of business.
- 22.2 If within thirty minutes from the time appointed for the meeting a quorum is not present, then, in the case of a meeting convened on a requisition, the meeting shall be deemed cancelled and, in any other case, the meeting shall stand adjourned to the same day one week later, at the same time and place or to such other day, time or place as the Secretary may determine. Unless the meeting is adjourned to a specific date, time and place announced at the meeting being adjourned, fresh notice of the resumption of the meeting shall be given to each Member entitled to attend and vote at such meeting in accordance with these Bye-laws.

**23. Chairman to Preside at General Meetings**

Unless otherwise agreed by a majority of those attending and entitled to vote thereat, the Chairman, if there be one, and if not the President, if there be one, shall act as chairman at all general meetings at which such person is present in their absence a chairman shall be appointed or elected by those present at the meeting and entitled to vote.

**24. Voting on Resolutions**

- 24.1 Subject to the Companies Act and these Bye-laws, any question proposed for the consideration of the Members at any general meeting shall be decided by the affirmative votes of a majority of the votes cast in accordance with these Bye-laws and in the case of an equality of votes the chairman of such meeting shall be entitled to a casting vote.
- 24.2 No member shall be entitled to vote at a general meeting unless such Member has paid all the calls on all shares held by such Member.
- 24.3 At any general meeting a resolution put to the vote of the meeting shall, in the first instance, be voted upon by a show of hands and, subject to any rights or restrictions for the time being lawfully attached to any class of shares and subject to these Bye-laws, every Member present in person and every person holding a valid proxy at such meeting shall be entitled to one vote and shall cast such vote by raising his hand.
- 24.4 In the event that a Member participates in a general meeting by telephone or electronic means, the chairman of the meeting shall direct the manner in which such Member may cast his vote on a show of hands.
- 24.5 At any general meeting if an amendment is proposed to any resolution under consideration and the chairman of the meeting rules on whether or not the proposed amendment is out of order, the proceedings on the substantive resolution shall not be invalidated by any error in such ruling.

24.6 At any general meeting a declaration by the chairman of the meeting that a question proposed for consideration has, on a show of hands, been carried, or carried unanimously, or by a particular majority, or lost, and an entry to that effect in a book containing the minutes of the proceedings of the Company shall, subject to these Bye-laws, be conclusive evidence of that fact.

**25. Power to Demand a Vote on a Poll**

25.1 Notwithstanding the foregoing, a poll may be demanded by any of the following persons:

- (a) the chairman of the meeting; or
- (b) at least three Members present in person or represented by proxy; or
- (c) any Member or Members present in person or represented by proxy and holding between them not less than one-tenth of the total voting rights of all the Members having the right to vote at such meeting; or
- (d) any Member or Members present in person or represented by proxy holding shares in the Company conferring the right to vote at such meeting, being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total amount paid up on all such shares conferring such right.

25.2 Where a poll is demanded, subject to any rights or restrictions for the time being lawfully attached to any class of shares, every person present at such meeting shall have one vote for each share of which such person is the holder or for which such person holds a proxy and such vote shall be counted by ballot as described herein, or in the case of a general meeting at which one or more Members are present by telephone or electronic means, in such manner as the chairman of the meeting may direct and the result of such poll shall be deemed to be the resolution of the meeting at which the poll was demanded and shall replace any previous resolution upon the same matter which has been the subject of a show of hands. A person entitled to more than one vote need not use all his votes or cast all the votes he uses in the same way.

25.3 A poll demanded for the purpose of electing a chairman of the meeting or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken at such time and in such manner during such meeting as the chairman (or acting chairman) of the meeting may direct. Any business other than that upon which a poll has been demanded may be conducted pending the taking of the poll.

25.4 Where a vote is taken by poll, each person physically present and entitled to vote shall be furnished with a ballot paper on which such person shall record his vote in such manner as shall be determined at the meeting having regard to the nature of the question on which the vote is taken, and each ballot paper shall be signed or initialled or otherwise marked so as to identify the voter and the registered holder in the case of a proxy. Each person present by telephone or electronic means shall cast his vote in such manner as the chairman shall direct. At the conclusion of the poll, the ballot papers and votes cast in accordance with such directions shall be examined and counted by a committee of not less than two Members or proxy holders appointed by the chairman for the purpose and the result of the poll shall be declared by the chairman.

**26. Voting by Joint Holders of Shares**

In the case of joint holders, the vote of the senior who tenders a vote (whether in person or by proxy) shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the Register of Members.

**27. Instrument of Proxy**

27.1 An instrument appointing a proxy shall be in writing in substantially the form set out at Schedule "D" or such other form as the chairman of the meeting shall accept. The instrument of proxy shall be deemed to confer authority to demand or join in demanding a poll, be heard at the meeting and to vote on any amendment of a written resolution or amendment of a resolution put to the meeting for which it is given as the proxy thinks fit. The instrument of proxy shall, unless it otherwise provides, be valid as well for any adjournment of the meeting to which it relates.

27.2 The instrument appointing a proxy must be received by the Company at the Registered Office or at such other place or in such manner as is specified in the notice convening the meeting or in any instrument of proxy sent out by the Company in relation to the meeting at which the person named in the instrument appointing a proxy proposes to vote, and an instrument appointing a proxy which is not received in the manner so prescribed shall be invalid.

27.3 A Member who is the holder of two or more shares may appoint more than one proxy to represent him and vote on his behalf in respect of different shares.

27.4 The decision of the chairman of any general meeting as to the validity of any appointment of a proxy shall be final.

**28. Representation of Corporate Member**

28.1 A corporation which is a Member may, by written instrument, authorise such person or persons as it thinks fit to act as its representative at any meeting and any person so authorised shall be entitled to exercise the same powers on behalf of the corporation which such person represents as that corporation could exercise if it were an individual Member, and that Member shall be deemed to be present in person at any such meeting attended by its authorised representative or representatives.

28.2 Notwithstanding Bye-law 28.1, the chairman of the meeting may accept such assurances as he thinks fit as to the right of any person to attend and vote at general meetings on behalf of a corporation which is a Member.

**29. Adjournment of General Meeting**

The chairman of a general meeting may, with the consent of the Members at any general meeting at which a quorum is present, and shall if so directed by the meeting, adjourn the meeting. Unless the meeting is adjourned to a specific date, place and time announced at the meeting being adjourned, fresh notice of the date, place and time for the resumption of the adjourned meeting shall be given to each Member entitled to attend and vote at such meeting in accordance with these Bye-laws.

**30. Written Resolutions**

30.1 Subject to these Bye-laws, anything which may be done by resolution of the Company in general meeting or by resolution of a meeting of any class of the Members may, without a meeting may be done by written resolution in accordance with this Bye-law.

30.2 Notice of a written resolution shall be given, and a copy of the resolution shall be circulated to all Members who would be entitled to attend a meeting and vote thereon. The accidental omission to give notice to, or the non-receipt of a notice by, any Member does not invalidate the passing of a resolution.

30.3 A written resolution is passed when it is signed by, or in the case of a Member that is a corporation, on behalf of, the Members who at the date that the notice is given represent such majority of votes as would be required if the resolution was voted on at a meeting of Members at which all Members entitled to attend and vote thereat were present and voting.

30.4 A resolution in writing may be signed in any number of counterparts.

30.5 A resolution in writing made in accordance with this Bye-law is as valid as if it had been passed by the Company in general meeting or by a meeting of the relevant class of Members, as the case may be, and any reference in any Bye-law to a meeting at which a resolution is passed or to Members voting in favour of a resolution shall be construed accordingly.

30.6 A resolution in writing made in accordance with this Bye-law shall constitute minutes for the purposes of the Companies Act.

30.7 This Bye-law shall not apply to:

- (a) a resolution passed to remove an Auditor from office before the expiration of his term of office; or
- (b) a resolution passed for the purpose of removing a Director before the expiration of his term of office.



30.8 For the purposes of this Bye-law, the effective date of the resolution is the date when the resolution is signed by, or in the case of a Member that is a corporation whether or not a company within the meaning of the Companies Act, on behalf of, the last Member whose signature results in the necessary voting majority being achieved and any reference in any Bye-law to the date of passing of a resolution is, in relation to a resolution made in accordance with this Bye-law, a reference to such date.

**31. Directors Attendance at General Meetings**

The Directors shall be entitled to receive notice of, attend and be heard at any general meeting.

**DIVIDENDS AND CAPITALISATION**

**32. Dividends**

32.1 The Board may, subject to these Bye-laws and in accordance with the Companies Act, declare a dividend to be paid to the Members, in proportion to the number of shares held by them, and such dividend may be paid in cash or wholly or partly in specie in which case the Board may fix the value for distribution in specie of any assets. No unpaid dividend shall bear interest as against the Company.

32.2 The Board may fix any date as the record date for determining the Members entitled to receive any dividend.

32.3 The Company may pay dividends in proportion to the amount paid up on each share where a larger amount is paid up on some shares than on others.

32.4 The Board may declare and make such other distributions (in cash or in specie) to the Members as may be lawfully made out of assets of the Company. No unpaid distribution shall bear interest as against the Company.

**33. Power to Set Aside Profits**

The Board may, before declaring a dividend, set aside out of the surplus or profits of the Company, such amount as it thinks proper as a reserve to be used to meet contingencies or for equalising dividends or for any other purpose.

**34. Method of Payment**

34.1 Any dividend, interest, or other moneys payable in cash in respect of the shares may be paid by cheque or draft sent through the post directed to the Member at such Member's address in the Register of Members, or to such person and to such address as the holder may in writing direct.

34.2 In the case of joint holders, any dividend, interest or other moneys payable in cash in respect of shares may be paid by cheque or draft sent through the post directed to the address of the holder first named in the Register of Members, or to such person and to such address as the joint holders may in writing direct. If two or more persons are registered as joint holders of any shares any one can give an effectual receipt for any dividend paid in respect of such shares.

34.3 The Board may deduct from the dividends or distributions payable to any Member all moneys due from such Member to the Company on account of calls or otherwise.

**35. Capitalisation**

35.1 The Board may capitalise any amount for the time being standing to the credit of any of the Company's share premium or reserve accounts or to the credit of the profit and loss account or otherwise available for distribution by applying such amount in paying up unissued shares to be allotted as fully paid bonus shares pro rata to the Members.

35.2 The Board may capitalise any amount for the time being standing to the credit of a reserve account or amounts otherwise available for dividend distribution by applying such amounts in paying up in full, partly or nil paid shares of those Members who would have been entitled to such amounts if they were distributed by way of dividend or distribution.

**DIRECTORS AND OFFICERS**

**36. Election of Directors**

36.1 The Board shall be elected or appointed in the first place at the statutory meeting of the Company and thereafter, except in the case of a casual vacancy, at the annual general meeting or at any special general meeting called for that purpose. The Company may in general meeting set a shareholding requirement for Directors but unless so set there shall be no such requirement.

36.2 At any general meeting the Members may authorise the Board to fill any vacancy in their number left unfilled at a general meeting.

**37. Number of Directors**

The Board shall consist of not less than one Director or such number as the Members may determine.

**38. Term of Office of Directors**

Directors shall hold office for such term as the Members may determine or, in the absence of such determination, until the next annual general meeting or until their successors are elected or appointed or their office is otherwise vacated.

**39. Alternate Directors**

39.1 At any general meeting, the Members may elect a person or persons to act as a Director in the alternative to any one or more Directors or may authorise the Board to appoint such Alternate Directors.

- 39.2 Unless the Members otherwise resolve, any Director may appoint a person or persons to act as a Director in the alternative to himself by notice deposited with the Secretary. Any person so elected or appointed shall have all the rights and powers of the Director or Directors for whom such person is appointed in the alternative provided that such person shall not be counted more than once in determining whether or not a quorum is present.
- 39.3 An Alternate Director shall be entitled to receive notice of all meetings of the Board and to attend and vote at any such meeting at which a Director for whom such Alternate Director was appointed in the alternative is not personally present and generally to perform at such meeting all the functions of such Director for whom such Alternate Director was appointed.
- 39.4 An Alternate Director shall cease to be such if the Director for whom he was appointed to act as a Director in the alternative ceases for any reason to be a Director, but he may be re-appointed by the Board as an alternate to the person appointed to fill the vacancy in accordance with these Bye-laws.

**40. Removal of Directors**

- 40.1 Subject to any provision to the contrary in these Bye-laws, the Members entitled to vote for the election of Directors may, at any special general meeting convened and held in accordance with these Bye-laws, remove a Director provided that the notice of any such meeting convened for the purpose of removing a Director shall contain a statement of the intention so to do and be served on such Director not less than 14 days before the meeting and at such meeting the Director shall be entitled to be heard on the motion for such Director's removal.
- 40.2 If a Director is removed from the Board under this Bye-law, the Members may fill the vacancy at the meeting at which such Director is removed. In the absence of such election or appointment, the Board may fill the vacancy.

**41. Vacancy in the Office of Director**

- 41.1 The office of Director shall be vacated if the Director:
- (a) Is removed from office pursuant to these Bye-laws or is prohibited from being a Director by law;
  - (b) is or becomes bankrupt, or makes any arrangement or composition with his creditors generally;
  - (c) is or becomes of unsound mind or dies; or
  - (d) resigns his office by notice to the Company.

41.2 The Board shall have the power to appoint any person as a Director to fill a vacancy on the Board occurring as a result of the death, disability, disqualification or resignation of any Director and to appoint an Alternate Director to any Director so appointed.

**42. Remuneration of Directors**

The remuneration (if any) of the Directors shall be determined by the Company in a general meeting and shall be deemed to accrue from day to day. The Directors may also be paid all travel, hotel and other expenses properly incurred by them in attending and returning from the meetings of the Board, any committee appointed by the Board, general meetings, or in connection with the business of the Company or their duties as Directors generally.

**43. Defect in Appointment**

All acts done in good faith by the Board, any Director, a member of a committee appointed by the Board, any person to whom the Board may have delegated any of its powers, or any person acting as a Director shall, notwithstanding that it be afterwards discovered that there was some defect in the appointment of any Director or person acting as aforesaid, or that he was, or any of them were, disqualified, be as valid as if every such person had been duly appointed and was qualified to be a Director or act in the relevant capacity.

**44. Directors to Manage Business**

The business of the Company shall be managed and conducted by the Board. In managing the business of the Company, the Board may exercise all such powers of the Company as are not required to be exercised by the Company in general meeting by these Bye-laws or the Companies Act.

**45. Powers of the Board of Directors**

The Board may:

- (a) appoint one or more Directors to the office of managing director or chief executive officer of the Company, who shall, subject to the control of the Board, supervise and administer all of the general business and affairs of the Company;
- (b) appoint a person to act as manager of the Company's day-to-day business and may entrust to and confer upon such manager such powers and duties as it deems appropriate for the transaction or conduct of such business;
- (c) appoint, suspend, or remove any manager, secretary, clerk, agent or employee of the Company and may fix their remuneration and determine their duties;
- (d) exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking, property and uncalled capital, or any part thereof, and may issue debentures, debenture stock, convertible loan notes, and other securities whether outright or as security for any debt, liability or obligation of the Company or any third party;

- (e) by power of attorney, appoint any company, firm, person or body of persons, whether nominated directly or indirectly by the Board, to be an attorney of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Board) and for such period and subject to such conditions as it may think fit and any such power of attorney may contain such provisions for the protection and convenience of persons dealing with any such attorney as the Board may think fit and may also authorise any such attorney to sub-delegate all or any of the powers, authorities and discretions so vested in the attorney;
- (f) procure that the Company pays all expenses incurred in promoting and incorporating the Company;
- (g) in connection with the issue of any share, pay such commission and brokerage as may be permitted by law; and
- (h) authorise any company, firm, person or body of persons to act on behalf of the Company for any specific purpose and in connection therewith to execute any deed, agreement, document or instrument on behalf of the Company.
- (i) present any petition and make any application in connection with the liquidation or reorganisation of Company;
- (j) delegate any of its powers (including the power to sub-delegate) to a committee of one or more persons appointed by the Board which may consist partly or entirely of non-Directors, provided that every such committee shall conform to such directions as the Board shall impose on them and provided further that the meetings and proceedings of any such committee shall be governed by the provisions of these Bye-laws regulating the meetings and proceedings of the Board, so far as the same are applicable and are not superseded by directions imposed by the Board; and
- (k) delegate any of its powers (including the power to sub-delegate) to any person on such terms and in such manner as the Board may see fit.

**46. Register of Directors and Officers**

The Board shall cause to be kept in one or more books at the Registered Office a Register of Directors and Officers and shall enter therein the particulars required by the Companies Act.

**47. Appointment of Officers**

The Board may appoint such Officers (who may or may not be Directors) as the Board may determine.

**48. Appointment of Secretary**

The Secretary shall be appointed by the Board from time to time.

**49. Duties of Officers**

The Officers shall have such powers and perform such duties in the management, business and affairs of the Company as may be delegated to them by the Board from time to time.

**50. Remuneration of Officers**

The Officers shall receive such remuneration as the Board may determine.

**51. Conflicts of Interest**

51.1 Any Director, or any Director's firm, partner or any company with whom any Director is associated, may act in any capacity for, be employed by or render services to the Company and such Director or such Director's firm, partner or company shall be entitled to remuneration as if such Director were not a Director. Nothing contained in this Bye-law shall authorise a Director or Director's firm, partner or company to act as Auditor to the Company.

51.2 A Director who is directly or indirectly interested in a contract or proposed contract or arrangement with the Company shall declare the nature of such interest as required by the Companies Act.

51.3 Following a declaration being made pursuant to this Bye-law, and unless disqualified by the chairman of the relevant Board meeting, a Director may vote in respect of any contract or proposed contract or arrangement in which such director is interested and may be counted in the quorum for such meeting.

**52. Indemnification and Exculpation of Directors and Officers**

52.1 The Directors, Secretary and other Officers (the term Officer for this Bye-law to include any person appointed to any committee by the Board) for the time being acting in relation to any of the affairs of the Company, any subsidiary thereof, and the liquidation or trustees (if any) for the time being acting in relation to any of the affairs of the Company or any subsidiary thereof and every one of them, and their heirs, executors and administrators, shall be indemnified and secured harmless out of the assets of the Company from and against all actions, costs, charges, losses, damages and expenses which they or any of them, their heirs, executors or administrators, shall or may incur or sustain by or by reason of any act done, concurred in or omitted in or about the execution of their duty, or supposed duty, or in their respective offices or trusts, and none of them shall be answerable for the acts, receipts, neglects or defaults of the others of them or for joining in any receipts for the sake of conformity, or for any bankers or other persons with whom any moneys or effects belonging to the Company shall or may be lodged or deposited for safe custody, or for insufficiency or deficiency of any security upon which any moneys of or belonging to the Company shall be placed out on or invested, or for any other loss, misfortune or damage which may happen in the execution of their respective offices or trusts, or in relation thereto, PROVIDED THAT this indemnity shall not extend to any matter in respect of any fraud or dishonesty which may attach to any of the said persons.

- 52.2 Each Member agrees to waive any claim or right of action such Member might have, whether individually or by or in the right of the Company, against any Director or Officer on account of any action taken by such Director or Officer, or the failure of such Director or Officer to take any action in the performance of his duties with or for the Company or any subsidiary thereof, PROVIDED THAT such waiver shall not extend to any matter in respect of any fraud or dishonesty which may attach to such Director or Officer.
- 52.3 The Company may purchase and maintain insurance for the benefit of any Director or Officer against any liability incurred by him under the Companies Act in his capacity as a Director or Officer or indemnifying such Director or Officer in respect of any loss arising or liability attaching to him by virtue of any rule of law in respect of any negligence, default, breach of duty or breach of trust of which the Director or Officer may be guilty in relation to the Company or any subsidiary thereof.
- 52.4 The Company may advance moneys to a Director or Officer for the costs, charges and expenses incurred by the Director or Officer in defending any civil or criminal proceedings against him, on condition that the Director or Officer shall repay the advance if any allegation of fraud or dishonesty is proved against him.

#### MEETINGS OF THE BOARD OF DIRECTORS

**53. Board Meetings**

The Board may meet for the transaction of business, adjourn and otherwise regulate its meetings as it sees fit. A resolution put to the vote at a meeting of the Board shall be carried by the affirmative votes of a majority of the votes cast and in the case of an equality of votes the resolution shall fail.

**54. Notice of Board Meetings**

A Director may, and the Secretary or Assistant Secretary on the requisition of a Director shall, upon not less than 72 hours advance notice, summon a meeting of the Board. Notice of a meeting of the Board shall be deemed to be duly given to a Director if it is given to such Director verbally (including in person or by telephone) or otherwise communicated or sent to such Director by post, electronic means, or other mode of representing words in visible form at such Director's last known address or in accordance with any other instructions given by such Director to the Company for this purpose. A Director may at any time waive the right to receive less than 72 hours advance notice of a meeting of the Board.

**55. Telephonic or electronic Participation In Meetings**

Directors may participate in any meeting by telephonic or such electronic means as permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously, and participation in such a meeting shall constitute presence in person at such meeting. Such a meeting shall be deemed to take place where the largest group of Directors participating in the meeting is physically assembled or, if there is no such group, where the chairman of the meeting then is.

**56. Quorum at Board Meetings**

The quorum necessary for the transaction of business at a meeting of the Board shall be one Director, or such number as the Members may determine.

**57. Board to Continue in the Event of Vacancy**

The Board may act notwithstanding any vacancy in its number but, if and so long as its number is reduced below the number fixed by these Bye-laws as the quorum necessary for the transaction of business at meetings of the Board, the continuing Directors or Director may act for the purpose of (i) summoning a general meeting; or (ii) preserving the assets of the Company.

**58. Chairman to Preside**

Unless otherwise agreed by a majority of the Directors attending, the Chairman, if there be one, and if not, the President, if there be one, shall act as chairman at all meetings of the Board at which such person is present. In their absence a chairman shall be appointed or elected by the Directors present at the meeting.

**59. Written Resolutions**

A resolution signed by all the Directors, which may be in counterparts, shall be as valid as if it had been passed at a meeting of the Board duly called and constituted, such resolution to be effective on the date on which the last Director signs the resolution. For the purposes of this Bye-law only, "the Directors" shall not include an Alternate Director.

**60. Validity of Prior Acts of the Board**

No regulation or alteration to these Bye-laws made by the Company in general meeting shall invalidate any prior act of the Board which would have been valid if that regulation or alteration had not been made.



**61. Books of Account**

61.1 The Board shall cause to be kept proper records of account with respect to all transactions of the Company and in particular with respect to:

- (a) all amounts of money received and expended by the Company and the matters in respect of which the receipt and expenditure relates;
- (b) all sales and purchases of goods by the Company; and
- (c) all assets and liabilities of the Company.

61.2 Such records of account shall be kept at the Registered Office, or subject to the Companies Act, at such other place as the Board thinks fit and shall be available for inspection by the Directors during normal business hours.

**62. Financial Year End**

The financial year end of the Company may be determined by resolution of the Board and failing such resolution shall be 30<sup>th</sup> June in each year.

**AUDITS**

**63. Annual Audit**

Subject to any rights to waive the laying of accounts or the appointment of an Auditor pursuant to the Companies Act, the accounts of the Company shall be audited at least once in every year.

**64. Appointment of Auditor**

64.1 Subject to the Companies Act and provided that the Members have not waived the requirement to hold an annual general meeting or appoint an Auditor, at the annual general meeting or at a subsequent special general meeting in each year, an independent representative of the Members shall be appointed by them as Auditor of the accounts of the Company.

64.2 The Auditor may be a Member but no Director, Officer or employee of the Company shall, during his continuance in office, be eligible to act as an Auditor of the Company.

**65. Remuneration of Auditor**

Save in the case of an Auditor appointed pursuant to Bye-law 70, the remuneration of the Auditor shall be fixed by the Company in a general meeting or in such manner as the Members may determine. In the case of an Auditor appointed pursuant to Bye-law 70, the remuneration of the Auditor shall be fixed by the Board.

**66. Duties of Auditor**

66.1 The financial statements provided for by these Bye-laws shall be audited by the Auditor in accordance with generally accepted auditing standards. The Auditor shall make a written report on such financial statements in accordance with generally accepted auditing standards.

66.2 The generally accepted auditing standards referred to in this Bye-law may be those of a country or jurisdiction other than Bermuda or such other generally accepted auditing standards as may be provided for in the Companies Act. If so, the financial statements and the report of the Auditor shall identify the generally accepted auditing standards used.

**67. Access to Records**

The Auditor shall at all reasonable times have access to all books kept by the Company and to all accounts and vouchers relating thereto, and the Auditor may call on the Directors or Officers of the Company for any information in their possession relating to the books or affairs of the Company.

**68. Financial Statements**

Subject to the waiver of the laying of accounts by the Members in accordance with the Companies Act, financial statements, as required by the Companies Act, shall be laid before the Members in an annual general meeting, or if the Members waive the requirement for an annual general meeting, financial statements, as required by the Companies Act, shall be made available to the Members in accordance with the Companies Act. A resolution in writing made in accordance with Bye-law 30 receiving, accepting, adopting, approving or otherwise acknowledging financial statements shall be deemed to be the laying of such statements before the Members in a general meeting.

**69. Distribution of Auditor's Report**

The report of the Auditor shall be submitted to the Members at a general meeting.

**70. Vacancy in the Office of Auditor**

The Board may fill any casual vacancy in the office of the Auditor.

**CORPORATE RECORDS**

**71. Minutes**

The Board shall cause minutes to be duly entered in books provided for the purpose of:

- (a) all elections and appointments of Officers;

(b) the names of the Directors present at each meeting of the Board and of any committee appointed by the Board; and

(c) all resolutions and proceedings of general meetings of the Members, meetings of the Board, meetings of managers and meetings of committees appointed by the Board.

**72. Place Where Corporate Records Kept**

Minutes prepared in accordance with the Companies Act and these Bye-laws shall be kept by the Secretary at the Registered Office.

**73. Form and Use of Seal**

73.1 The Company may adopt a seal in such form as the Board may determine. The Board may adopt one or more duplicate seals for use in or outside Bermuda.

73.2 A seal may, but need not be affixed to any deed, instrument, share certificate or document, and if the seal is to be affixed to such deed, instrument, share certificate or document, it shall be attested by the signature of (i) any Director, or (ii) any Officer, or (iii) the Secretary, or (iv) any person authorised by the Board for that purpose.

73.3 A Resident Representative may, but need not, affix the seal of the Company to certify the authenticity of any copies of documents.

**CHANGES TO CONSTITUTION**

**74. Alteration or amendment of Bye-laws**

No Bye-law may be rescinded, altered or amended and no new Bye-law may be made save in accordance with the Companies Act and until such amendment or alteration has been approved by a resolution of the Board and by a resolution of the Members.

**75. Alteration or amendment of Memorandum**

No alteration or amendment to the Memorandum may be made save in accordance with the Companies Act and until such alteration or amendment has been approved by a resolution of the Board and by a resolution of the Members.

**76. Discontinuance**

The Board may exercise all the powers of the Company to discontinue the Company to a jurisdiction outside Bermuda pursuant to the Companies Act.

**77. Registered Office**

The Registered Office shall be at such place in Bermuda as the Board shall from time to time determine.

**78. Amalgamation and Merger**

The Company may by resolution of the Members approve the amalgamation or merger of the Company with any other company wherever incorporated.

**79. Conversion**

The Company may by resolution of the Members approve a conversion of the Company into a partnership.

**VOLUNTARY WINDING-UP AND DISSOLUTION**

**80. Winding-Up**

If the Company shall be wound up the liquidator may, with the sanction of a resolution of the Members, divide amongst the Members in specie or in kind the whole or any part of the assets of the Company (whether they shall consist of property of the same kind or not) and may, for such purpose, set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the Members or different classes of Members. The liquidator may, with the same sanction of a resolution of the Members, vest the whole or any part of such assets in the trustees upon such trusts for the benefit of the Members as the liquidator shall think fit, but so that no Member shall be compelled to accept any shares or other securities or assets whereon there is any liability.

**SCHEDULE "A"**

**FORM OF NOTICE OF FORFEITURE (BYE-LAW 6)**

Notice of Forward March Limited (the "Company")

You have failed to pay the call of [amount of call] made on the [ ] day of [ ], 20[ ], in respect of the [number] share(s) [number in figures] standing in your name in the Register of Members of the Company, on the [ ] day of [ ], 20[ ], the day appointed for payment of such call. You are hereby notified that unless you pay such call together with interest on such call at the rate of [ ] per annum calculated from the said [ ] day of [ ], 20[ ] at the registered office of the Company the share(s) will be liable to be forfeited.

Dated this [ ] day of [ ], 20[ ]

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[Signature of Secretary]  
By Order of Board

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**SCHEDULE "B"**

**FORM OF TRANSFER (BYE-LAW 11)**

Transfer of a Share or Shares  
Forward March Limited (the "Company")

FOR VALUE RECEIVED .....[amount], I/We, [name of transferor] hereby sell, assign and transfer unto [transferee] of [address], [number] of shares of the Company.

DATED this [ ] day of [ ], 20[ ]

Signed by:

In the presence of:

\_\_\_\_\_  
Transferor

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Transferee

\_\_\_\_\_  
Witness

\_\_\_\_\_

**SCHEDULE "C"**

**FORM OF TRANSFER (BYE-LAW 12.2)**

Transfer by a Person Becoming Entitled on Death/Bankruptcy of a Member  
Forward March Limited (the "Company")

I/We, having become entitled in consequence of the [death/bankruptcy] of [name and address of deceased/bankrupt Member] to [number] share(s) standing in the Register of Members of the Company in the name of the said [name of deceased/bankrupt Member] instead of being registered myself/ourselves, elect to have [name of transferee] (the "Transferee") registered as a transferee of such share(s) and I/we do hereby accordingly transfer the said share(s) to the Transferee to hold the same unto the Transferee, his or her executors, administrators and assigns, subject to the conditions on which the same were held at the time of the execution hereof; and the Transferee does hereby agree to take the said share(s) subject to the same conditions.

DATED this [ ] day of [ ], 20[ ]

Signed by:

In the presence of:

\_\_\_\_\_  
Transferor

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Transferee

\_\_\_\_\_  
Witness

\_\_\_\_\_

**SCHEDULE "D"**

**FORM OF MEMBER PROXY (BYE-LAW 27.1)**

Proxy  
Forward March Limited (the "Company")

I/We, [insert names here], being a Member of the Company with [number] shares, HEREBY APPOINT [name] of [address] or failing him, [name] of [address] to be my/our proxy to vote for me/us at the meeting of the Members to be held on the [ ] day of [ ], 20[ ] and at any adjournment of such meeting. (Any restrictions on voting to be inserted here.)

Signed this [ ] day of [ ], [ ]

\_\_\_\_\_

Member(s)

\_\_\_\_\_



FORWARD MARCH LIMITED  
(REGISTRATION #52447)  
(THE "COMPANY")  
AMENDED AND RESTATED CERTIFICATE OF DESIGNATION, PREFERENCES  
AND RIGHTS OF CONVERTIBLE PREFERENCE SHARES  
(THIS "CERTIFICATE OF DESIGNATION")<sup>1</sup>

The Company HEREBY CERTIFIES that, pursuant to resolutions of the Board of Directors passed on June 20, 2017, the Company created its Convertible Preference Shares, of par value US\$0.0001 each, and that the designation, powers, preferences and rights and the qualifications, limitations and restrictions thereof are set forth in this Amended and Restated Certificate of Designation, adopted on October 6, 2017:

Section 1. Designation and Number of Convertible Preference Shares. The designation of the preference shares authorized hereby shall be "Convertible Preference Shares" (the "Convertible Preference Shares"). The maximum number of Convertible Preference Shares shall be 4,749,861.

Section 2. Dividends.

Section 2. 2A. General Obligation. When, as and if declared by the Board of Directors, to the extent permitted under the Act, the Company shall pay dividends to the holders of the Convertible Preference Shares, as provided in this Section 2.

2B. Dividend Preference. The Company shall not declare nor pay any dividends or make any distribution upon any class of Common Shares, until and unless the Company has declared and paid a dividend of at least US\$2.00 with respect to each Convertible Preference Share.

2C. Participating Dividends. In the event that the Company declares or pays any dividends upon the Common Shares or any other classes of shares of the Company (the "Other Classes") (whether payable in cash, securities or other property), the Company shall also declare and pay to the holders of Convertible Preference Shares at the same time that it declares and pays such dividends to the holders of any of the Other Classes, the dividends which would have been declared and paid with respect to the Other Classes, on the basis (but not requiring) that all such Convertible Preference Shares had been converted to Common Shares immediately prior to the record date for such dividend, or if no record date is fixed, the date as of which the record holders of the Other Classes entitled to such dividends are to be determined.

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<sup>1</sup> Capitalized terms used but not otherwise defined herein shall have the meanings set forth in Section 9.

Section 3. Liquidation. On any voluntary or involuntary liquidation, dissolution or winding-up of the Company, holders of Convertible Preference Shares shall be entitled to receive, proportionately according to the number of Convertible Preference Shares held, those assets available for distribution to the members.

Section 4. Voting Rights. The holders of Convertible Preference Shares shall be entitled to notice of all meetings of members as and when such notice is provided to the holders of Common Shares using the methods provided in accordance with the Bye-Laws or as otherwise required by applicable law. The holders of Convertible Preference Shares shall be entitled to vote (on an as-converted basis), together with the holders of the Common Shares voting together as a single class, on all matters (including the election of directors) submitted to the shareholders for a vote. The holders of Convertible Preference Shares shall be entitled to the number of votes equal to the number of Common Shares into which the Convertible Preference Shares held could be converted pursuant to the terms hereof as of the record date for such vote or, if no record date is specified, as of the date of such vote. Fractional votes shall not, however, be permitted and any fractional voting rights available on an as-converted basis shall be rounded to the nearest whole number (with one-half being rounded upward).

Section 5. Conversion.

5A. Voluntary Conversion. Subject to the provisions of this Section 5, at any time and from time to time following the date of issuance of the Convertible Preferred Shares, any holder of Convertible Preferred Shares may convert all or any portion of their Convertible Preferred Shares (including any fraction of a Convertible Preferred Share) held by such holder into a number of Common Shares as described in Section 5C.

5B. Mandatory Conversion. All of the then issued Convertible Preference Shares shall automatically convert into Common Shares, in accordance with the provisions of this Section upon the consummation of a Qualified Public Offering, with such conversion only being effected at the time of and subject to the closing of the sale of securities by the Company pursuant to such Qualified Public Offering.

5C. Conversion Procedure.

(i) Conversion pursuant to Section 5A shall be effected by notice in writing from the holder of Convertible Preferred Shares to the Company ("Conversion Notice") delivered to the Company in accordance with Section 13, accompanied by the certificate or certificates representing the Convertible Preferred Shares to be converted (if a certificate has been issued, or a lost certificate affidavit and indemnity in lieu thereof). Each conversion of Convertible Preferred Shares pursuant to this Section shall automatically be effected as of the close of business on the date on which the Conversion Notice and any certificate or certificates (or lost certificate affidavit or indemnity) representing the Convertible Preferred Shares to be converted have been delivered to the Company.

(ii) Conversion pursuant to Section 5B shall be automatic, without the need for any further action on behalf of the holders of Convertible Preference Shares, and regardless of whether the certificates representing such shares (if any) are surrendered to the Company or its transfer agent.

(iii) Each Convertible Preference Share converted pursuant to this Section 5 shall be convertible into one Common Share. If the Convertible Preference Shares undergo any share split, share consolidation or other similar recapitalization, then the provisions of this Section 5C(ii) shall be appropriately adjusted such that a holder of Convertible Preference Shares shall receive upon conversion the same number of Common Shares such holder would have received if it had converted its Convertible Preference Shares immediately prior to the such event.

(iv) At the time any such conversion has been effected, the rights of the holder of the Convertible Preference Shares converted (as a holder of such converted Convertible Preference Shares) shall cease and such converted Convertible Preference Shares shall cease to have the rights and restrictions of Convertible Preference Shares provided hereby and shall convert to and become Common Shares, as applicable, and the Person or Persons in whose name or names Common Shares are to be registered upon such conversion shall thereby become the holder or holders of record of such Common Shares.

(v) As soon as possible after a conversion has been effected (but in any event within five (5) Business Days following such conversion) the Company shall amend its register of members to effect the conversion and shall thereafter deliver to the converting holder:

(a) a notice stating that the Convertible Preference Shares have been converted and that any certificates evidencing Convertible Preference Shares must be surrendered at the office of the Company;

(b) a certificate or certificates representing the number of Common Shares issuable by reason of such conversion in such name or names and such denomination or denominations as the converting holder has specified; and

(c) payment in cash of the amount payable under Section 5C(ix) below with respect to such conversion.

(vi) The issuance of certificates for Common Shares upon conversion of Convertible Preference Shares shall be made without charge to the holders of such Convertible Preference Shares for any issuance or stamp tax in respect thereof or other cost incurred by the Company in connection with such conversion into Common Shares. Upon conversion of each Convertible Preference Share, the Company shall take all such actions as are necessary in order to ensure that the Common Shares resulting from such conversion shall be duly and validly issued, fully paid, and free and clear of all taxes, liens, charges and encumbrances except those created by the holder thereof.

(vii) The Company shall not close its books against the transfer of Convertible Preference Shares or Common Shares resulting from conversion of Convertible Preference Shares in any manner that interferes with the timely conversion of Convertible Preference Shares. The Company shall assist and cooperate with any holder of Convertible Preference Shares required to make any governmental filings or obtain any governmental approval prior to or in connection with any conversion of Convertible Preference Shares hereunder (including, without limitation, making any filings required to be made by the Company).

(viii) The Company shall at all times reserve and keep available out of its authorized but unissued Common Shares, solely for the purpose of issuance upon the conversion of Convertible Preference Shares, such number of shares of Common Shares issuable upon the conversion of all outstanding Convertible Preference Shares. All Common Shares which are so issuable shall, when issued, be duly and validly issued, fully paid, and free and clear of all taxes, liens, charges and encumbrances except those created by the holder thereof. The Company shall take all such actions as may be necessary to ensure that all Common Shares may be so issued without violation of any applicable law or governmental regulation or any requirements of any domestic securities exchange upon which the Common Shares may be listed (except for official notice of issuance which shall be immediately delivered by the Company upon each such issuance). The Company shall not take any action that would cause the number of authorized but unissued Common Shares to be less than the number of such shares required to be reserved hereunder for issuance upon conversion of Convertible Preference Shares.

(ix) No fractional shares shall result from the conversion of any Convertible Preference Shares, and the number of Common Shares resulting from such conversion shall be rounded down to the nearest whole share. The number of shares resulting from such conversion shall be determined on the basis of the total number of Convertible Preference Shares the holder is at the time converting into Common Shares and the number of Common Shares which will result from such aggregate conversion. If the conversion would result in any fractional share, the Company shall, in lieu of such fractional share, pay the holder thereof an amount in cash equal to the fair market value of such fractional share on the date of conversion, as determined in good faith by the Board of Directors.

(x) If there occurs a change in the capitalization of the Company as permitted herein and if the Common Shares resulting from conversion of Convertible Preference Shares are convertible into or exchangeable for any other shares or securities of the Company, the Company shall, at the converting holder's option, upon surrender of the Convertible Preference Shares to be converted by such holder as provided herein together with any notice, statement or payment required to effect such conversion or exchange of Common Shares, deliver to such holder or as otherwise specified by such holder a certificate or certificates representing the shares or securities into which the Common Shares resulting from conversion are so convertible or exchangeable, registered in such name or names and in such denomination or denominations as such holder has specified.

5D. Notices.

(i) The Company shall give written notice to all holders of Convertible Preference Shares at least twenty (20) days prior to the date on which the Company closes its books or takes a record (a) with respect to any dividend or distribution upon the Common Shares, (b) with respect to any *pro rata* subscription offer to holders of Common Shares or (c) for determining rights to vote with respect to any dissolution or liquidation.

(ii) The Company shall also give written notice to the holders of Convertible Preference Shares at least twenty (20) days prior to the date on which any Qualified Public Offering shall take place.

Section 6. Registration of Transfer. The Company shall keep at its principal office a register of members for the registration of holders of Convertible Preference Shares. Upon the surrender of any certificate representing Convertible Preference Shares at such place, the Company shall, at the request of the record holder of such certificate, execute and deliver (at the Company's expense) a new certificate or certificates in exchange therefor representing in the aggregate the number of Convertible Preference Shares represented by the surrendered certificate. Each such new certificate shall be registered in such name and shall represent such number of Convertible Preference Shares as is requested by the holder of the surrendered certificate and shall be substantially identical in form to the surrendered certificate, and dividends shall accrue on the Convertible Preference Shares represented by such new certificate from the date to which dividends have been fully paid on such Convertible Preference Shares represented by the surrendered certificate.

Section 7. Replacement. Upon receipt of evidence reasonably satisfactory to the Company (an affidavit of the registered holder shall be satisfactory) of the ownership and the loss, theft, destruction or mutilation of any certificate evidencing Convertible Preference Shares, and in the case of any such loss, theft or destruction, upon receipt of an indemnity from such holder reasonably satisfactory to the Company, or, in the case of any such mutilation upon surrender of such certificate, the Company shall (at its expense) execute and deliver in lieu of such certificate a new certificate of like kind representing the number of Convertible Preference Shares of such class represented by such lost, stolen, destroyed or mutilated certificate and dated the date of such lost, stolen, destroyed or mutilated certificate, and dividends shall accrue on the Convertible Preference Shares represented by such new certificate from the date to which dividends have been fully paid on such lost, stolen, destroyed or mutilated certificate.

Section 8. Representation on the Board of Directors. The holders of the Convertible Preference Shares shall together be entitled by notice in writing to the Company to appoint (and remove) seven (7) Persons to the Board of Directors.

Section 9. Definitions.

"Acceptable Exchange" means (i) any of the New York Stock Exchange, the NASDAQ National Market, the London Stock Exchange, the "AIM" market operated by the London Stock Exchange plc ("AIM") or the Hong Kong Stock Exchange or (ii) if agreed in writing by the Company and the holders of a majority of the Convertible Preference Shares then issued based on their good faith determination, either of the Stock Exchange of Singapore or the Dubai International Financial Exchange.

"Act" means the Companies Act 1981 (as amended).

"Board of Directors" means the board of directors of the Company.

“Business Day” means any day other than a Saturday, a Sunday or a day on which banks in New York City are authorized or obligated by law or executive order to close.

“Bye-laws” means the bye-laws of the Company in force from time to time.

“Common Share” means any common share of the Company.

“Conversion Notice” has the meaning given in Section 5(C)(i).

“Convertible Securities” means any shares or securities directly or indirectly convertible into or exchangeable for Common Shares.

“Junior Securities” means any share capital or other equity securities of the Company, except for the Convertible Preference Shares.

“Option Plan” means the 2017 Stock Plan of the Company, as may be amended from time to time.

“Options” means any rights, warrants or options to subscribe for or purchase Common Shares or Convertible Securities or other Junior Securities.

“Other Classes” has the meaning given in Section 2(C).

“Person” means an individual, a partnership, a company, a limited liability company, a limited liability partnership, an association, a joint stock company, a trust, a joint venture, an unincorporated organization and a governmental entity or any department, agency or political subdivision thereof.

“Qualified Public Offering” shall mean a firm commitment underwritten initial public offering of shares of the Common Shares pursuant to an effective registration statement under the US Securities Act of 1933 (or otherwise conducted in accordance with applicable law) providing for the listing of the Common Shares on an Acceptable Exchange and resulting in net proceeds to the Company of at least US\$20,000,000.

Section 10. Governing Law. This Certificate of Designations shall be governed and construed in accordance with the Act.

Section 11. Amendment and Waiver. No amendment, modification, waiver or change in the terms hereof through merger, amalgamation, or consolidation of the Company with another company or entity shall be binding or effective with respect to any provision of this Certificate of Designation without the prior written consent of the holders of at least a majority of the Convertible Preference Shares outstanding at the time such action is taken.

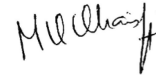
Section 12. Notices. Except as otherwise expressly provided hereunder, all notices referred to herein shall be in writing and shall be (i) delivered in person, (ii) transmitted by email, (iii) sent by registered or certified mail, postage prepaid with return receipt requested, or (iv) sent by reputable overnight courier service, fees prepaid, to (x) the Company, at its principal executive offices and (y) to any shareholder, at such shareholder's address or email address as it appears in the records of the Company (unless otherwise indicated in writing by any such shareholder). Notices shall be deemed given upon personal delivery, upon receipt of return receipt in the case of delivery by mail, upon transmission in the case of delivery by email (unless a rejection message from the recipients email is received confirming non-delivery) or one day following deposit with an overnight courier service.

Section 13. The Bye-laws. If there shall be any conflict between the provisions of this Certificate of Designations and the Bye-laws then, for so long as any Convertible Preference Shares are issued and outstanding, the provisions of this Certificate of Designations shall prevail.

IN WITNESS WHEREOF, the Company has caused this Amended and Restated Certificate of Designation to be signed by a director.

SIGNED

for and on behalf of  
FORWARD MARCH LIMITED



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Director

REGISTRATION RIGHTS AGREEMENT

by and among

FORWARD MARCH LIMITED

and

THE RESOURCE GROUP INTERNATIONAL LIMITED

Dated as of September 15, 2017

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## REGISTRATION RIGHTS AGREEMENT

THIS REGISTRATION RIGHTS AGREEMENT (the "Agreement"), dated as of September 15, 2017, by and among Forward March Limited, a Bermuda exempted company (together with its successors, the "Company"), The Resource Group International Limited, a Bermuda exempted company ("TRG"), and such other Persons, if any, from time to time that become party hereto as holders of Registrable Securities (as defined below) pursuant to Section 3.06 or Section 3.07 (such other Persons, other than TRG's Affiliates, "Other Holders").

WITNESSETH:

WHEREAS, as of the date hereof, the Sponsor (as defined herein) owns Registrable Securities (as defined herein) in the classes and amounts set forth on Schedule A hereto; and

WHEREAS, the parties desire to set forth certain registration rights applicable to the Registrable Securities.

NOW, THEREFORE, in consideration of the foregoing and the mutual promises, covenants and agreements of the parties hereto, and for other good and valuable consideration the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

### ARTICLE I

#### DEFINITIONS

SECTION 1.01. Defined Terms. As used in this Agreement, the following terms shall have the following meanings:

"Adverse Disclosure" means public disclosure of material non-public information that, in the Board of Directors' good faith judgment, after consultation with independent outside counsel to the Company, (i) would be required to be made in any Registration Statement or report filed with the SEC by the Company so that such Registration Statement does not contain an untrue statement of material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading; (ii) would not be required to be made at such time but for the filing, effectiveness or continued use of such Registration Statement or report; and (iii) would have a material adverse effect on the Company or its business or on the Company's ability to effect a material proposed acquisition, disposition, financing, reorganization, recapitalization or similar transaction.

"Agreement" has the meaning set forth in the preamble.

"Affiliate" has the meaning specified in Rule 12b-2 under the Exchange Act; provided, that no Holder shall be deemed an Affiliate of the Company or any of its subsidiaries for purposes of this Agreement. The term "Affiliated" has a correlative meaning.

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“Board of Directors” means the board of directors or board of managers (or similar governing body) of the Company.

“Business Day” means any day other than a Saturday, Sunday or a day on which commercial banks located in New York, New York or Bermuda are required or authorized by law to be closed.

“Company” has the meaning set forth in the preamble and shall include the Company’s successors by merger, acquisition, reorganization, conversion or otherwise.

“Company Public Sale” has the meaning set forth in Section 2.03(a).

“Demand Notice” has the meaning set forth in Section 2.01(d).

“Demand Period” has the meaning set forth in Section 2.01(c).

“Demand Registration” has the meaning set forth in Section 2.01(a).

“Demand Registration Statement” has the meaning set forth in Section 2.01(a).

“Demand Request” has the meaning set forth in Section 2.01(a).

“Demand Suspension” has the meaning set forth in Section 2.01(e).

“Exchange Act” means the Securities Exchange Act of 1934, as amended, and any successor thereto, and any rules and regulations promulgated thereunder, all as the same shall be in effect from time to time.

“FINRA” means the Financial Industry Regulatory Authority, Inc.

“Holder” means any holder of Registrable Securities who is a party hereto or who succeeds to rights hereunder pursuant to Section 3.06.

“IPO” means the Company’s first underwritten Public Offering or initial listing of the Company’s shares on a national securities exchange.

“Issuer Free Writing Prospectus” means an issuer free writing prospectus, as defined in Rule 433 under the Securities Act, relating to an offer of the Registrable Securities.

“Long-Form Registration” has the meaning set forth in Section 2.01(a).

“Other Holders” has the meaning set forth in the preamble.

“Participating Holder” means, with respect to any Registration, any Holder of Registrable Securities covered by the applicable Registration Statement.

“Person” means an individual, corporation, association, limited liability company, limited liability partnership, limited partnership, partnership, estate, trust, joint venture, unincorporated organization or a government or any agency or political subdivision thereof.

“Piggyback Registration” has the meaning set forth in Section 2.03(a).

“Potential Takedown Participant” has the meaning set forth in Section 2.02(e)(ii).

“Pro Rata Portion” means a number of such shares equal to the aggregate number of Registrable Securities to be sold in a Public Offering (excluding any shares to be registered or sold for the account of the Company) multiplied by a fraction, the numerator of which is the aggregate number of Registrable Securities held by such Holder and the denominator of which is the aggregate number of Registrable Securities held by all Holders.

“Pro Ration Percentage” has the meaning set forth in Section 2.02(c)(i).

“Prospectus” means the prospectus included in any Registration Statement, all amendments and supplements to such prospectus, including pre- and post-effective amendments to such Registration Statement, and all other material incorporated by reference in such prospectus.

“Public Offering” means the offer and sale of Registrable Securities for cash pursuant to an effective Registration Statement under the Securities Act (other than a Registration Statement on Form S-4 or Form S-8 or any successor form).

“Registrable Securities” means any Shares held by any Holder; provided, that any such Registrable Securities shall cease to be Registrable Securities to the extent (i) a Registration Statement with respect to the sale of such Registrable Securities has become effective under the Securities Act and such Registrable Securities have been disposed of in accordance with the plan of distribution set forth in such Registration Statement, (ii) such Registrable Securities have been sold pursuant to Rule 144 under the Securities Act (or any similar or analogous rule promulgated under the Securities Act); (iii) such Registrable Securities shall have been otherwise transferred and new certificates for them not bearing a legend restricting transfer under the Securities Act shall have been delivered by the Company (or such transfer has been validly recorded in book-entry form with such book-entry not subject to restrictions on transfer) and such securities may be publicly resold without Registration under the Securities Act; or (iv) when such Registrable Securities cease to be outstanding.

“Registration” means a registration with the SEC of the Company’s securities for offer and sale to the public under a Registration Statement. The term “Register” shall have a correlative meaning.

“Registration Expenses” has the meaning set forth in Section 2.08.

“Registration Statement” means any registration statement of the Company filed with, or to be filed with, the SEC under the rules and regulations promulgated under the Securities Act, including the related Prospectus, amendments and supplements to such registration statement, including pre- and post-effective amendments, and all exhibits and all material incorporated by reference in such registration statement.

“Representatives” means, with respect to any Person, any of such Person’s officers, directors, employees, agents, attorneys, accountants, actuaries, consultants, equity financing partners or financial advisors or other Person associated with, or acting on behalf of, such Person.

“SEC” means the Securities and Exchange Commission.

“Securities Act” means the Securities Act of 1933, as amended, and any successor thereto, and any rules and regulations promulgated thereunder, all as the same shall be in effect from time to time.

“Shares” means (i) (A) with respect to the Sponsor, all common shares of the Company, par value \$0.001 per share, held by the Sponsor, including any common shares of the Company that may be distributed, issued or issuable upon conversion of any other Company equity security or any other common shares of the Company that may be acquired by the Sponsor in the future and (B) with respect to Other Holders, the common shares of the Company, including common shares of the Company issuable upon conversion of other equity securities of the Company, that may be listed on Schedule A hereto when such Other Holder becomes a party to this Agreement in accordance with Section 3.06 or Section 3.07 (ii) any other securities issued as a distribution with respect to, or in exchange for or in replacement of any of the foregoing Shares whether by way of conversion, dividend, stock split or other distribution, and (iii) any other securities issued or transferred in exchange for or upon conversion of any of the foregoing Shares as a result of a merger, consolidation, exchange, recapitalization, reclassification, reorganization or otherwise (including any securities issued upon the conversion of the Company to a successor corporation or other entity in preparation for an IPO) and any other securities issued to any of the Holders in connection with any such transaction.

“Shelf Notice” has the meaning set forth in Section 2.02(c)(i).

“Shelf Period” has the meaning set forth in Section 2.02(b).

“Shelf Registration” means a Registration effected pursuant to Section 2.02.

“Shelf Registration Statement” means a Registration Statement of the Company filed with the SEC on either (i) Form F-3 or Form S-3 (or any successor form or other appropriate form under the Securities Act) or (ii) if the Company is not permitted to file a Registration Statement on Form F-3 or Form S-3, a Registration Statement on Form F-1 or Form S-1 (or any successor form or other appropriate form under the Securities Act), in each case for an offering to be made on a delayed or continuous basis pursuant to Rule 415 under the Securities Act (or any similar rule that may be adopted by the SEC) covering the Registrable Securities, as applicable.

“Shelf Suspension” has the meaning set forth in Section 2.02(f).

“Shelf Takedown” means a Public Offering pursuant to an effective Shelf Registration Statement.

“Shelf Takedown Notice” has the meaning set forth in Section 2.02(e)(ii).

“Shelf Takedown Request” has the meaning set forth in Section 2.02(e)(i).

“Short-Form Registration” has the meaning set forth in Section 2.01(a).

“Sponsor” means TRG and its Affiliates that are not the Company or a direct or indirect subsidiary thereof.

“Sponsor Shelf Registration Amount” has the meaning set forth in Section 2.02(a)(ii).

“TRG” has the meaning set forth in the preamble.

“Underwritten Offering” means an underwritten Public Offering, including any bought deal or block sale to a financial institution conducted as an underwritten Public Offering.

“Underwritten Shelf Takedown” means an Underwritten Offering pursuant to an effective Shelf Registration Statement.

“WKSI” means any Securities Act registrant that is a well-known seasoned issuer as defined in Rule 405 under the Securities Act at the most recently eligibility determination date specified in paragraph (2) of that definition.

SECTION 1.02. Other Interpretive Provisions.

(a) The meanings of defined terms are equally applicable to the singular and plural forms thereof.

(b) The words “hereof”, “herein”, “hereunder” and similar words refer to this Agreement as a whole and not to any particular provision of this Agreement; and any subsection, Section, Exhibit, Schedule and Annex references are to this Agreement unless otherwise specified.

(c) The term “including” is not limiting and means “including without limitation.”

(d) The captions and headings of this Agreement are for convenience of reference only and shall not affect the interpretation of this Agreement.

(e) Whenever the context requires, any pronouns used herein shall include the corresponding masculine, feminine or neuter forms.

ARTICLE II

REGISTRATION RIGHTS

SECTION 2.01. Demand Registration.

(a) Demand by the Sponsor. If, at any time after an IPO, there is no currently effective Shelf Registration Statement on file with the SEC, the Sponsor may from time to time and at any time make a written request (a “Demand Request”) to the Company for Registration of all or part of the Registrable Securities held by the Sponsor (i) on Form F-1 or Form S-1 or any similar long-form registration statement (a “Long-Form Registration”) or (ii) on Form F-3 or Form S-3 or any similar short-form registration statement (a “Short-Form Registration”) if the Company is qualified to use such short form. Any such requested Long-Form Registration or Short-Form Registration shall hereinafter be referred to as a “Demand Registration.” Each request for a Demand Registration shall specify the kind and aggregate amount of Registrable Securities to be Registered and the intended methods of disposition thereof. Promptly upon receiving any Demand Request (but in no event (i) in the case of a Long-Form Registration, more than sixty (60) days after receipt of a the Demand Request for such Registration and (ii) in the case of a Short-Form Registration, more than thirty (30) days after receipt of a Demand Request for such Registration), the Company shall use its reasonable best efforts to file a Registration Statement relating to such Demand Registration (a “Demand Registration Statement”) and the Company shall use its reasonable best efforts to cause such Demand Registration Statement to promptly be declared or become effective as soon as reasonably practicable under (x) the Securities Act and (y) the “Blue Sky” laws of such jurisdictions as any Participating Holder or any underwriter, if any, reasonably requests.

(b) Demand Withdrawal. The Sponsor and any other Holder that has requested its Registrable Securities be included in a Demand Registration pursuant to Section 2.01(d), may withdraw all or any portion of its Registrable Securities from a Demand Registration at any time prior to the effectiveness of the applicable Demand Registration Statement or in the case of an underwritten Public Offering, prior to the Registration Statement's latest effective date with regard to the Demand Registration (as determined for purposes of Rule 430B(f)(2) under the Securities Act). The Company shall continue all efforts to secure effectiveness of the applicable Demand Registration Statement in respect of the Registrable Securities of any other Holder that has requested inclusion in the Demand Registration pursuant to Section 2.01(d) so long as the Sponsor has requested and not withdrawn all of its Registrable Securities to be included in such Demand Registration; provided, however, if the Sponsor has requested for all of its Registrable Securities to be withdrawn from such Demand Registration, the Company shall immediately cease all efforts to secure effectiveness of the applicable Demand Registration Statement, even if one or more non-Sponsor Holders have requested for Registrable Securities to be included in such applicable Demand Request pursuant to Section 2.01(d).

(c) Effective Registration. The Company shall, with respect to each Demand Registration, use its reasonable best efforts to cause the Demand Registration Statement to remain effective for not less than one hundred eighty (180) consecutive days (or such shorter period as shall terminate when all Registrable Securities covered by such Demand Registration Statement have been sold or withdrawn), or if such Registration Statement relates to an Underwritten Offering, such longer period as, in the opinion of counsel for the underwriter or underwriters, a Prospectus is required by law to be delivered in connection with sales of Registrable Securities by an underwriter or dealer (the applicable period, the "Demand Period").

(d) Demand Notice. Promptly upon receipt of any Demand Request pursuant to Section 2.01(a) (but in no event more than two (2) Business Days thereafter), if there are any Holders other than the Sponsor, the Company shall deliver a written notice (a "Demand Notice") of any such Registration request to any such non-Sponsor Holders, and the Company shall include in such Demand Registration Registrable Securities up to any Holder's Pro Rata Portion with respect to which the Company has received written requests for inclusion therein within three (3) Business Days after the date that the Demand Notice has been delivered. All requests made pursuant to this Section 2.01(d) shall specify the aggregate amount of Registrable Securities to be registered and the intended method of distribution of such securities. If any Holder does not deliver a notice within three (3) Business Days after the delivery of the Demand Notice, such Holder shall be deemed to have irrevocably waived any and all rights under this Section 2.01(d), with respect to such Registration (but not with respect to future Registrations in accordance with this Section 2.01).



(e) Delay in Filing; Suspension of Registration. If the filing, initial effectiveness or continued use of a Demand Registration Statement at any time would require the Company to make an Adverse Disclosure, the Company may, upon giving prompt written notice of such action to the Holders, delay the filing or initial effectiveness of, or suspend use of, the Demand Registration Statement (a “Demand Suspension”); provided, however, that the Company shall not be permitted to exercise a Demand Suspension or Shelf Suspension (as defined in Section 2.02(f)) (i) more than once during any twelve (12)-month period, or (ii) for a period exceeding sixty (60) days on any one occasion. In the case of a Demand Suspension, the Holders agree to suspend use of the applicable Prospectus in connection with any sale or purchase, or offer to sell or purchase, Registrable Securities, upon receipt of the notice referred to above. The Company shall immediately notify the Holders upon the termination of any Demand Suspension, amend or supplement the Prospectus, if necessary, so it does not contain any untrue statement or omission and furnish to the Holders such numbers of copies of the Prospectus as so amended or supplemented as the Holders may reasonably request. The Company agrees, if necessary, to supplement or make amendments to the Demand Registration Statement, if required by the registration form used by the Company for the Demand Registration or by the instructions applicable to such registration form or by the Securities Act or the rules or regulations promulgated thereunder or as may reasonably be requested by the Sponsor.

(f) Underwritten Offering. If the Sponsor so requests, an offering of Registrable Securities pursuant to a Demand Registration shall be in the form of an Underwritten Offering, and the Sponsor shall have the right to select the managing underwriter or underwriters to administer the offering; provided that such managing underwriter or underwriters shall be reasonably acceptable to the Company.

(g) Priority of Securities Registered Pursuant to Demand Registrations. If the managing underwriter or underwriters of a proposed Underwritten Offering of the Registrable Securities included in a Demand Registration (or, in the case of a Demand Registration not being underwritten, the Sponsor), advise the Board of Directors in writing that, in its or their opinion, the number of securities requested to be included in such Demand Registration exceeds the number which can be sold in such offering without being likely to have a significant adverse effect on the price, timing or distribution of the securities offered or the market for the securities offered, the securities to be included in such Demand Registration (i) first, shall be allocated to the Sponsor and (ii) second, only to the extent the securities referred to in clause (i) have been included, shall be allocated pro rata among the Holders (other than the Sponsor) that have requested to participate in such Demand Registration based on the relative number of Registrable Securities then held by each such Holder (provided that any securities thereby allocated to a Holder that exceed such Holder’s request shall be reallocated among the remaining requesting Holders in like manner) and (iii) next, and only if all the securities referred to in clauses (i) and (ii) have been included, the number of securities that the Company and any other Holder that has a right to participate in such registration proposes to include in such Registration that, in the opinion of the managing underwriter or underwriters (or the Sponsor, as the case may be) can be sold without having such adverse effect.

(h) Distributions of Registrable Securities to Partners or Members. In the event any Holder requests to participate in a registration pursuant to this Section 2.01 in connection with a distribution of Registrable Securities to its partners or members, the registration shall provide for resale by such partners or members, if requested by the Holder.

SECTION 2.02. Shelf Registration.

(a) Filing.

(i) After the IPO, as promptly as practicable following a request as may be made from time to time by the Sponsor (a "Shelf Registration Request"), the Company shall file with the SEC a Shelf Registration Statement pursuant to Rule 415 of the Securities Act relating to the offer and sale by Holders from time to time in accordance with the methods of distribution elected by the Sponsor and set forth in the Shelf Registration Statement and, as promptly as practicable thereafter, shall use its reasonable best efforts to cause such Shelf Registration Statement to be declared effective under the Securities Act. At any time prior to or after the filing of a Shelf Registration Statement, the Sponsor may request that the number of its Registrable Securities previously requested to be registered on such Shelf Registration Statement be increased to a larger number of its Registrable Securities and the Company shall thereafter use its reasonable best efforts to effect such increase for such Shelf Registration Statement as promptly as practicable thereafter. If, on the date of any such request, the Company does not qualify to file a Shelf Registration Statement under the Securities Act, the provisions of this Section 2.02 shall not apply, and the provisions of Section 2.01 shall apply instead.

(ii) If on the date of the Shelf Registration Request: (i) the Company is a WKSJ, then the Shelf Registration Request shall request Registration of an unspecified amount of Registrable Securities and any other securities to be registered by the Company; and (ii) the Company is not a WKSJ, then the Shelf Registration Request shall specify the aggregate amount of Registrable Securities to be registered. The Company shall provide to the Sponsor the information necessary to determine the Company's status as a WKSJ upon request. If applicable, the aggregate number of Registrable Securities that the Sponsor requests to be registered on such Shelf Registration Statement (as increased from time to time at the election of the Sponsor) shall be referred to in this Section 2.02 as the "Sponsor Shelf Registration Amount."

(b) Continued Effectiveness. The Company shall use its reasonable best efforts to keep such Shelf Registration Statement continuously effective under the Securities Act in order to permit the Prospectus forming a part thereof to be usable by Holders until the date as of which all of the Sponsor's Registrable Securities have been sold pursuant to the Shelf Registration Statement or another registration statement filed under the Securities Act (but in no event prior to the applicable period referred to in Section 4(a)(3) of the Securities Act and Rule 174 thereunder) (such period of effectiveness, the "Shelf Period"). Subject to Section 2.02(f), the Company shall not be deemed to have used its reasonable best efforts to keep the Shelf Registration Statement effective during the Shelf Period if the Company voluntarily takes any action or omits to take any action that would result in Holders of Registrable Securities covered thereby not being able to offer and sell any Registrable Securities pursuant to such Shelf Registration Statement during the Shelf Period, unless such action or omission is required by applicable law.

(c) Shelf Notice.

(i) Promptly upon receipt of a Shelf Registration Request or any request by the Sponsor to increase the number of its Registrable Securities registered on such Shelf Registration Statement pursuant to Section 2.02(a) (but in no event more than two (2) Business Days thereafter), if there are any Holders other than the Sponsor, the Company shall deliver a written notice (a "Shelf Notice") of any such request to any such non-Sponsor Holders. If the Company is not a WKSI, the Shelf Notice shall specify the Sponsor Shelf Registration Amount and the Pro Ration Percentage. If the Company is not a WKSI, the Company shall offer each such Holder the opportunity to include in the Shelf Registration Statement the number of Registrable Securities with respect to which the Company has received written requests for inclusion therein within two (2) Business Days after the date that the Shelf Notice has been delivered; provided, that no non-Sponsor Holder may request the inclusion in such Shelf Registration Statement a percentage of such Holder's Registrable Securities in excess of the Pro Ration Percentage. For purposes of this Section 2.02(c), the "Pro Ration Percentage" means, as of the date of determination with respect to any particular Shelf Registration, the percentage determined by multiplying (i) 100 by (ii) a fraction, the numerator of which is the Sponsor Shelf Registration Amount in effect as of such date with respect to such Shelf Registration and the denominator of which is the aggregate number of Registrable Securities then beneficially owned by the Sponsor. If the Sponsor transfers Registrable Securities pursuant to Section 3.06, the denominator referred to above will be decreased by such amount of Registrable Securities transferred. If any non-Sponsor Holder does not deliver a notice within two (2) Business Days after the date that the Shelf Notice has been delivered, such non-Sponsor Holder shall be deemed to have irrevocably waived any and all right under this Section 2.02 with respect to such Registration (but not with respect to future Registrations in accordance with this Section 2.02). If the Company is a WKSI, no Holder shall be required to request inclusion of Registrable Securities in the Shelf Registration Statement until such time that the Company delivers a Shelf Takedown Request in connection with such Shelf Registration Statement pursuant to Section 2.02(e) hereunder.

(d) Underwritten Offering.

(i) If the Sponsor so elects, an offering of Registrable Securities pursuant to the Shelf Registration Statement shall be in the form of an Underwritten Offering, and the Company shall amend or supplement the Shelf Registration Statement for the purpose of such Underwritten Shelf Takedown, such Sponsor shall have the right to select the managing underwriter or underwriters to administer such offering; provided that such managing underwriter or underwriters shall be reasonably acceptable to the Company.

(ii) The provisions of Section 2.01(g) shall apply to any Underwritten Offering pursuant to this Section 2.02(d).

(e) Shelf Takedown.

(i) At any time subsequent to the delivery of a Shelf Registration Request with respect to a Shelf Registration Statement, by notice to the Company specifying the intended method or methods of disposition thereof, the Sponsor may make a written request (a "Shelf Takedown Request") to the Company to effect a Public Offering of all or a portion of the Sponsor's Registrable Securities that are covered or will be covered by such Shelf Registration Statement, and as soon as practicable after the receipt of a Shelf Takedown Request (or, if a Shelf Registration Statement that has been filed pursuant to a Shelf Registration Request under Section 2.02(a) hereunder has not yet been declared effective, as soon as practicable after the effectiveness of the Shelf Registration Statement), the Company shall amend or supplement the Shelf Registration Statement for such purpose.

(ii) Promptly upon receipt of a Shelf Takedown Request (but in no event more than two (2) Business Days thereafter) for any Shelf Takedown, if there are any Holders other than the Sponsor, the Company shall deliver a notice (a "Shelf Takedown Notice") to any such non-Sponsor Holder with Registrable Securities covered by the applicable Registration Statement, or to all other Holders if such Registration Statement is undesignated (each a "Potential Takedown Participant"). The Shelf Takedown Notice shall offer each such Potential Takedown Participant the opportunity to include in any Shelf Takedown that number of Registrable Securities as each such Potential Takedown Participant may request in writing. The Company shall include in the Shelf Takedown all such Registrable Securities with respect to which the Company has received written requests for inclusion therein within two (2) Business Days after the date that the Shelf Takedown Notice has been delivered. If a Holder does not deliver a notice within two (2) Business Days after the date that the Shelf Takedown Notice has been delivered, such Holder shall be deemed to have irrevocably waived any and all rights under this Section 2.02(e), with respect to such Registration (but not with respect to future Registrations in accordance with this Section 2.02(e)). Any Potential Takedown Participant's request to participate in an Shelf Takedown shall be binding on the Potential Takedown Participant. Notwithstanding the delivery of any Shelf Takedown Notice, but subject to Section 2.06(d), all determinations as to whether to complete any Shelf Takedown and as to the timing, manner, price and other terms of any Shelf Takedown contemplated by this Section 2.02(e)(i) shall be determined by the Sponsor, and the Company shall use its reasonable best efforts to cause any Shelf Takedown to occur as promptly as practicable; provided that if such Shelf Takedown is to be completed, each Potential Takedown Participant's Pro Rata Portion shall be included in such Shelf Takedown if such Potential Takedown Participant has complied with the requirements set forth in this Section 2.02(e)(ii).

(f) Suspension of Registration. If the continued use of such Shelf Registration Statement at any time would require the Company to make an Adverse Disclosure, the Company may, upon giving prompt written notice of such action to the Holders, suspend use of the Shelf Registration Statement (a "Shelf Suspension"); provided that the Company shall not be permitted to exercise a Shelf Suspension or Demand Suspension (i) more than once during any twelve (12)-month period, or (ii) for a period exceeding sixty (60) days on any one occasion. In the case of a Shelf Suspension, the Holders agree to suspend use of the applicable Prospectus in connection with any sale or purchase of, or offer to sell or purchase, Registrable Securities, upon receipt of the notice referred to above. The Company shall immediately notify the Holders upon the termination of any Shelf Suspension, amend or supplement the Prospectus, if necessary, so it does not contain any untrue statement or omission and furnish to the Holders such numbers of copies of the Prospectus as so amended or supplemented as the Holders may reasonably request. The Company agrees, if necessary, to supplement or make amendments to the Shelf Registration Statement, if required by the registration form used by the Company for the Shelf Registration or by the instructions applicable to such registration form or by the Securities Act or the rules or regulations promulgated thereunder or as may reasonably be requested by the Sponsor.

(g) Distributions of Registrable Securities to Partners or Members. In the event any Holder requests to participate in a registration pursuant to this Section 2.02 in connection with a distribution of Registrable Securities to its partners or members, the registration shall provide for resale by such partners or members, if requested by the Holder.

(h) Priority of Securities Sold Pursuant to Shelf Takedowns. If the managing underwriter or underwriters of a proposed Shelf Takedown (or, in the case of a Shelf Takedown not being underwritten, the Sponsor), advise the Board of Directors in writing that, in its or their opinion, the number of securities requested to be included in such Shelf Takedown exceeds the number which can be sold in such offering without being likely to have a significant adverse effect on the price, timing or distribution of the securities offered or the market for the securities offered, the securities to be included in such Shelf Takedown (i) first, shall be allocated to the Sponsor and (ii) second, only to the extent the securities referred to in clause (i) have been included, shall be allocated pro rata among the Holders (other than the Sponsor) that have requested to participate in such Shelf Takedown based on the relative number of Registrable Securities then held by each such Holder (provided that any securities thereby allocated to a Holder that exceed such Holder's request shall be reallocated among the remaining requesting Holders in like manner) and (iii) next, and only if all the securities referred to in clauses (i) and (ii) have been included, the number of securities that the Company and any other Holder that has a right to participate in such registration proposes to include in such Shelf Takedown that, in the opinion of the managing underwriter or underwriters (or the Sponsor, as the case may be) can be sold without having such adverse effect.

(a) Participation. If the Company at any time proposes to file a Registration Statement under the Securities Act with respect to any offering of its equity securities for its own account or for the account of any other Persons or to conduct a Public Offering (other than (i) a Registration under Section 2.01 or 2.02, (ii) a Registration on Form S-4 or S-8 or any successor form to such Forms or (iii) a Registration of securities solely relating to an offering and sale to employees or directors of the Company pursuant to any employee stock plan or other employee benefit plan arrangement) (a "Company Public Sale"), then, as soon as reasonably practicable, and any event within five (5) Business Days, the Company shall give written notice of such proposed filing or Public Offering to the Holders, and such notice shall offer the Holders the opportunity to Register under such Registration Statement, or to sell in such Public Offering, such number of Registrable Securities as each such Holder may request in writing (a "Piggyback Registration"). Subject to Section 2.03(b), the Company shall include in such Registration Statement or in such Public Offering as applicable all such Registrable Securities that are requested to be included therein within five (5) Business Days after the receipt by such Holders of any such notice; provided that if at any time after giving written notice of its intention to Register or sell any securities and prior to the effective date of the Registration Statement filed in connection with such Registration, or the pricing or trade date of such Public Offering, the Company shall determine for any reason not to Register or sell or to delay Registration or sale of such securities, the Company shall give written notice of such determination to each Holder and, thereupon, (i) in the case of a determination not to Register or sell, shall be relieved of its obligation to Register or sell any Registrable Securities in connection with such Registration or Public Offering (but not from its obligation to pay the Registration Expenses in connection therewith), without prejudice, however, to the rights of the Sponsor to request that such Registration be effected as a Demand Registration under Section 2.01 or an Underwritten Shelf Takedown, as the case may be, and (ii) in the case of a determination to delay Registering or selling, in the absence of a request for a Demand Registration or an Underwritten Shelf Takedown, shall be permitted to delay Registering or selling any Registrable Securities, for the same period as the delay in Registering or selling such other securities. If the offering pursuant to such Registration Statement or Public Offering is to be underwritten, then each Holder making a request for a Piggyback Registration pursuant to this Section 2.03(a) must, and the Company shall make such arrangements with the managing underwriter or underwriters so that each such Holder may, participate in such Underwritten Offering. If the offering pursuant to such Registration Statement is to be on any other basis, then each Holder making a request for a Piggyback Registration pursuant to this Section 2.03(a) must, and the Company shall make such arrangements so that each such Holder may, participate in such offering on such basis.

(b) Priority of Piggyback Registration. If the managing underwriter or underwriters of any proposed Underwritten Offering of Registrable Securities included in a Piggyback Registration informs the Company and the Holders of Registrable Securities in writing that, in its or their opinion, the number of securities which such Holders and any other Persons intend to include in such offering exceeds the number which can be sold in such offering without being likely to have a significant adverse effect on the price, timing or distribution of the securities offered or the market for the securities offered, then the securities to be included in such Registration shall be (i) first, 100% of the securities proposed to be sold in such Registration by the Company or (subject to Section 2.07) any Person (other than a Holder) exercising a contractual right to demand Registration, as the case may be, proposes to sell, and (ii) second, and only if all the securities referred to in clause (i) have been included, the number of Registrable Securities that, in the opinion of such managing underwriter or underwriters, can be sold without having such adverse effect, up to the full amount requested to be included by the Sponsor and (iii) third, and only if all of the Registrable Securities referred to in clause (ii) have been included in such Registration, the number shall be allocated pro rata among the non-Sponsor Holders that have requested to participate in such Registration based on the relative number of Registrable Securities then held by each such non-Sponsor Holder (provided that any securities thereby allocated to a Holder that exceed such Holder's request shall be reallocated among the remaining requesting Holders in like manner) and (iv) fourth, and only if all of the Registrable Securities referred to in clause (iii) have been included in such Registration, any other securities eligible for inclusion in such Registration.

(c) No Effect on Demand Registrations. No Registration of Registrable Securities effected pursuant to a request under this Section 2.03 shall be deemed to have been effected pursuant to Sections 2.01 and 2.02 or shall relieve the Company of its obligations under Sections 2.01 or 2.02.

(d) Withdrawal. Each Holder shall be permitted to withdraw all or part of its Registrable Securities in a Company Public Sale by giving written notice to the Company of its request to withdraw; provided, that (i) such request must be made in writing prior to the effectiveness of such Registration Statement or, in the case of a Public Offering, at least two (2) Business Days prior to the earlier of the anticipated filing of the "red herring" Prospectus, if applicable, and the anticipated pricing or trade date and (ii) such withdrawal shall be irrevocable and, after making such withdrawal, the Holder shall no longer have any right to include Registrable Securities in the Company Public Sale as to which such withdrawal was made.

SECTION 2.04. Black-out Periods.

(a) Black-out Periods for Holders. In the event of a Company Public Sale of the Company's equity securities in an Underwritten Offering, the Holders agree, if requested by the managing underwriter or underwriters in such Underwritten Offering and agreed to by the Sponsor, not to directly or indirectly (i) offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose of any Shares or any other securities of the Company or any securities convertible into or exchangeable or exercisable for such securities, (ii) enter into a transaction which would have the same effect, or enter into any swap, hedge or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of such securities or (iii) publicly disclose the intention to make any such offer, sale, pledge or disposition, or to enter into any such transaction, swap, hedge or other arrangement (except, in each case, as part of the applicable Registration, if permitted) that are the same as or similar to those being Registered in connection with such Company Public Sale, or any securities convertible into or exchangeable or exercisable for such securities, during the period beginning seven (7) days before and ending ninety (90) days, or in the case of an IPO, one hundred eighty (180) days (or, in either case, (x) such lesser period as may be permitted by the Company or such managing underwriter or underwriters or (y) such other period as may be reasonably requested by the managing underwriter or underwriters to accommodate regulatory restrictions on the publication or other distribution of research reports and analyst recommendations and opinions, including, but not limited to, the restrictions contained in the FINRA rules or any successor provisions or amendments thereto) after, the effective date of the Registration Statement filed in connection with such Registration, to the extent timely notified in writing by the Company or the managing underwriter or underwriters; provided, however, such restrictions shall not apply to (i) in the case of an IPO, securities acquired in the public market subsequent to the IPO, (ii) distributions-in-kind to a Holder's partners or members; and (iii) transfers to Affiliates but only if such Affiliates agree to be bound by the restrictions herein. If requested by the managing underwriter or underwriters of any such Company Public Sale (and only if the Sponsor agrees to such request), each Holder shall execute a separate agreement to the foregoing effect. The Company may impose stop-transfer instructions with respect to the Registrable Securities (or other securities) subject to the foregoing restriction until the end of the period referenced above.

(b) Black-out Period for the Company and Others. In the case of a Registration of Registrable Securities pursuant to Section 2.01 or 2.02 for an Underwritten Offering, the Company and the Holders agree, if requested by the Sponsor or the managing underwriter or underwriters with respect to such Registration, not to effect any public sale or distribution of any securities that are the same as or similar to those being Registered, or any securities convertible into or exchangeable or exercisable for such securities, during the period beginning seven (7) days before, and ending ninety (90) days (or (x) such lesser period as may be permitted by the Sponsor or such managing underwriter or underwriters or (y) such other period as may be reasonably requested by the managing underwriter or underwriters to accommodate regulatory restrictions on the publication or other distribution of research reports and analyst recommendations and opinions, including, but not limited to, the restrictions contained in the FINRA rules or any successor provisions or amendments thereto) after, the effective date of the Registration Statement filed in connection with such Registration (or, in the case of an offering under a Shelf Registration Statement, the date of the closing under the underwriting agreement in connection therewith), to the extent timely notified in writing by the Sponsor or the managing underwriter or underwriters. Notwithstanding the foregoing, the Company may effect a public sale or distribution of securities of the type described above and during the periods described above if such sale or distribution is made pursuant to any Registration of securities for offering and sale to employees or directors of the Company pursuant to any employee stock plan or other employee benefit plan arrangement. The Company agrees to use its reasonable best efforts to obtain from (i) each holder of restricted securities of the Company which securities are the same as or similar to the Registrable Securities being Registered, or any restricted securities convertible into or exchangeable or exercisable for any of such securities, and (ii) all directors and officers of the Company, an agreement not to effect any public sale or distribution of such securities during any such period referred to in this paragraph, except as part of any such Registration, if permitted. Without limiting the foregoing (but subject to Section 2.07), if after the date hereof the Company grants any Person (other than a Holder) any rights to demand or participate in a Registration, the Company agrees that the agreement with respect thereto shall include such Person's agreement to comply with any black-out period required by this Section 2.04 as if it were a Holder hereunder. If requested by the managing underwriter or underwriters of any such Company Public Sale (and only if the Sponsor agrees to such request), each Holder shall execute a separate agreement to the foregoing effect. The Company may impose stop-transfer instructions with respect to the Registrable Securities (or other securities) subject to the foregoing restriction until the end of the period referenced above.



(a) In connection with the Company's Registration obligations under Sections 2.01, 2.02 and 2.03, the Company shall use its reasonable best efforts to effect such Registration and to permit the sale of such Registrable Securities in accordance with the intended method or methods of distribution thereof as expeditiously as reasonably practicable, and in connection therewith the Company shall:

(i) prepare the required Registration Statement including all exhibits and financial statements required under the Securities Act to be filed therewith, and before filing a Registration Statement or Prospectus, or any amendments or supplements thereto, (x) furnish to the underwriters, if any, and to Participating Holders, copies of all documents prepared to be filed, which documents shall be subject to the review of such underwriters and such Holders and their respective counsel; and (y) except in the case of a Registration under Section 2.03, not file any Registration Statement or Prospectus or amendments or supplements thereto to which the Sponsor or the underwriters, if any, shall reasonably object and (z) make such changes in such documents concerning the Holders prior to the filing thereof as such Holders, or their counsel, may reasonably request;

(ii) prepare and file with the SEC such pre- and post-effective amendments to such Registration Statement and supplements to the Prospectus as may be (x) reasonably requested by the Sponsor, (y) reasonably requested by any other Participating Holder (to the extent such request relates to information relating to such Holder), or (z) necessary to keep such Registration effective for the period of time required by this Agreement, and comply with provisions of the applicable securities laws with respect to the sale or other disposition of all securities covered by such Registration Statement during such period in accordance with the intended method or methods of disposition by the sellers thereof set forth in such Registration Statement;

(iii) notify the Participating Holders and the managing underwriter or underwriters, if any, and (if requested) confirm such advice in writing and provide copies of the relevant documents, as soon as reasonably practicable after notice thereof is received by the Company (a) when the applicable Registration Statement or any amendment thereto has been filed or becomes effective, and when the applicable Prospectus or any amendment or supplement to such Prospectus has been filed, (b) of any written comments by the SEC or any request by the SEC or any other federal or state governmental authority for amendments or supplements to such Registration Statement or such Prospectus or for additional information, (c) of the issuance by the SEC of any stop order suspending the effectiveness of such Registration Statement or any order by the SEC or any other regulatory authority preventing or suspending the use of any preliminary or final Prospectus or the initiation or threatening of any proceedings for such purposes, (d) if, at any time, the representations and warranties of the Company in any applicable underwriting agreement cease to be true and correct in all material respects, and (e) of the receipt by the Company of any notification with respect to the suspension of the qualification of the Registrable Securities for offering or sale in any jurisdiction or the initiation or threatening of any proceeding for such purpose;

(iv) promptly notify the Participating Holders and the managing underwriter or underwriters, if any, when the Company becomes aware of the happening of any event as a result of which the applicable Registration Statement or the Prospectus included in such Registration Statement (as then in effect) contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements therein (in the case of such Prospectus and any preliminary Prospectus, in light of the circumstances under which they were made) not misleading, when any Issuer Free Writing Prospectus includes information that may conflict with the information contained in the Registration Statement, or, if for any other reason it shall be necessary during such time period to amend or supplement such Registration Statement or Prospectus in order to comply with the Securities Act and, in either case as promptly as reasonably practicable thereafter, prepare and file with the SEC, and furnish without charge to the Participating Holders and the managing underwriter or underwriters, if any, an amendment or supplement to such Registration Statement or Prospectus which shall correct such misstatement or omission or effect such compliance;

(v) to the extent the Company is eligible under the relevant provisions of Rule 430B under the Securities Act, if the Company files any Shelf Registration Statement, the Company shall include in such Shelf Registration Statement such disclosures as may be required by Rule 430B under the Securities Act (referring to the unnamed selling security holders in a generic manner by identifying the initial offering of the securities to the Holders) in order to ensure that the Holders may be added to such Shelf Registration Statement at a later time through the filing of a Prospectus supplement rather than a post-effective amendment;

(vi) use its reasonable best efforts to prevent, or obtain the withdrawal of, any stop order or other order suspending the use of any preliminary or final Prospectus;

(vii) promptly incorporate in a Prospectus supplement, Issuer Free Writing Prospectus or post-effective amendment such information as the managing underwriter or underwriters and the Sponsor agree should be included therein relating to the plan of distribution with respect to such Registrable Securities; and make all required filings of such Prospectus supplement, Issuer Free Writing Prospectus or post-effective amendment as soon as reasonably practicable after being notified of the matters to be incorporated in such Prospectus supplement, Issuer Free Writing Prospectus or post-effective amendment;

(viii) furnish to each Participating Holder and each underwriter, if any, without charge, as many conformed copies as such Holder or underwriter may reasonably request of the applicable Registration Statement and any amendment or post-effective amendment or supplement thereto, including financial statements and schedules, all documents incorporated therein by reference and all exhibits (including those incorporated by reference);

(ix) deliver to each Participating Holder and each underwriter, if any, without charge, as many copies of the applicable Prospectus (including each preliminary prospectus) and any amendment or supplement thereto as such Holder or underwriter may reasonably request (it being understood that the Company consents to the use of such Prospectus or any amendment or supplement thereto by such Holder and the underwriters, if any, in connection with the offering and sale of the Registrable Securities covered by such Prospectus or any amendment or supplement thereto) and such other documents as such Holder or underwriter may reasonably request in order to facilitate the disposition of the Registrable Securities by such Holder or underwriter, it being understood that the Company consents to the use of such Prospectus or any amendment or supplement thereto by such Participating Holder and the underwriters, if any, in connection with the offering and sale of the Registrable Securities covered by such Prospectus or any amendment or supplement thereto;

(x) on or prior to the date on which the applicable Registration Statement is declared effective, use its reasonable best efforts to register or qualify, and cooperate with the Participating Holders, the managing underwriter or underwriters, if any, and their respective counsel, in connection with the registration or qualification of such Registrable Securities for offer and sale under the securities or "Blue Sky" laws of each state and other jurisdiction of the United States as any Participating Holder or managing underwriter or underwriters, if any, or their respective counsel reasonably request in writing and do any and all other acts or things reasonably necessary or advisable to keep such registration or qualification in effect for such period as required by Section 2.01(d) or Section 2.02(b), whichever is applicable, provided that the Company shall not be required to qualify generally to do business in any jurisdiction where it is not then so qualified or to take any action which would subject it to taxation or general service of process in any such jurisdiction where it is not then so subject;

(xi) cooperate with the Participating Holders and the managing underwriter or underwriters, if any, to facilitate the timely preparation and delivery of certificates representing Registrable Securities to be sold and not bearing any restrictive legends; and enable such Registrable Securities to be in such denominations and registered in such names as the managing underwriters may request at least two (2) Business Days prior to any sale of Registrable Securities to the underwriters;

(xii) use its reasonable best efforts to cause the Registrable Securities covered by the applicable Registration Statement to be registered with or approved by such other governmental agencies or authorities as may be necessary to enable the seller or sellers thereof or the underwriter or underwriters, if any, to consummate the disposition of such Registrable Securities;

(xiii) not later than the effective date of the applicable Registration Statement, provide a CUSIP number for all Registrable Securities and if applicable, provide the applicable transfer agent with printed certificates for the Registrable Securities which are in a form eligible for deposit with The Depository Trust Company;

(xiv) make such representations and warranties to the Participating Holders and the underwriters or agents, if any, in form, substance and scope as are customarily made by issuers in public offerings then being undertaken;

(xv) enter into such customary agreements (including underwriting and indemnification agreements) and take all such other actions as the Sponsor or the managing underwriter or underwriters, if any, reasonably request in order to expedite or facilitate the registration and disposition of such Registrable Securities;

(xvi) obtain for delivery to the Participating Holders and to the underwriter or underwriters, if any, an opinion or opinions from counsel for the Company (including, if necessary, local counsel) dated the effective date of the Registration Statement or, in the event of an Underwritten Offering, the date of the closing under the underwriting agreement, in customary form, scope and substance;

(xvii) in the case of an Underwritten Offering, (a) obtain for delivery to the Company and the managing underwriter or underwriters, with copies to the Participating Holders, a cold comfort letter from the Company's independent certified public accountants or independent auditors (and, if necessary, any other independent certified public accountants or independent auditors of any subsidiary of the Company or any business acquired by the Company for which financial statements and financial data are, or are required to be, included in the Registration Statement) in customary form and covering such matters of the type customarily covered by cold comfort letters as the managing underwriter or underwriters reasonably request, dated the date of execution of the underwriting agreement and brought down to the closing under the underwriting agreement and (b) obtain the required consents from the Company's independent certified public accountants and, if applicable, independent auditors to include the accountants' or auditors' report, as applicable, relating to the specified financial statements in the Registration Statement and to be named as an expert in the Registration Statement;

(xviii) cooperate with each Participating Holder and each underwriter, if any, participating in the disposition of such Registrable Securities and their respective counsel in connection with any filings required to be made with FINRA;

(xix) use its reasonable best efforts to comply with all applicable securities laws and make available to its security holders, as soon as reasonably practicable, an earnings statement satisfying the provisions of Section 11(a) of the Securities Act and the rules and regulations promulgated thereunder;

(xx) provide and cause to be maintained a transfer agent and registrar for all Registrable Securities covered by the applicable Registration Statement from and after a date not later than the effective date of such Registration Statement;

(xxi) use its reasonable best efforts to cause all Registrable Securities covered by the applicable Registration Statement to be listed on each securities exchange on which any of the Company's securities are then listed or quoted and on each inter-dealer quotation system on which any of the Company's securities are then quoted;

(xxii) make available upon reasonable notice at reasonable times and for reasonable periods for inspection by the Sponsor, by any underwriter participating in any disposition to be effected pursuant to such Registration Statement and by any attorney, accountant or other agent retained by the Sponsor or any such underwriter, all pertinent financial and other records, pertinent corporate documents and properties of the Company, and cause all of the Company's officers, directors and employees and the independent public accountants who have certified its financial statements to make themselves available to discuss the business of the Company and to supply all information reasonably requested by any such Person in connection with such Registration Statement as shall be necessary to enable them to exercise their due diligence responsibility; provided that any such Person gaining access to information regarding the Company pursuant to this Section 2.05(a)(xxii) shall agree to hold in strict confidence and shall not make any disclosure or use any information regarding the Company that the Company determines in good faith to be confidential, and of which determination such Person is notified, unless (v) the release of such information is requested or required by deposition, interrogatory, requests for information or documents by a governmental entity, subpoena or similar process), (w) disclosure of such information, in the opinion of counsel to such Person, is otherwise required by law, (x) such information is or becomes publicly known other than through a breach of this or any other agreement of which such Person has knowledge, (y) such information is or becomes available to such Person on a non-confidential basis from a source other than the Company or (z) such information is independently developed by such Person; provided that in the case of clauses (v) and (w), the person seeking to make disclosure of such information, to the extent reasonably practicable and permitted by law, provides the Company prior notice and a draft of the proposed disclosure and uses reasonable best efforts to reflect the Company's comments on such disclosure.

(xxiii) in the case of an Underwritten Offering, cause the senior executive officers of the Company to participate in the customary "road show" presentations that may be reasonably requested by the managing underwriter or underwriters in any such Underwritten Offering and otherwise to facilitate, cooperate with, and participate in each proposed offering contemplated herein and customary selling efforts related thereto;

(xxiv) take no direct or indirect action prohibited by Regulation M under the Exchange Act;

(xxv) take all reasonable action to ensure that any Issuer Free Writing Prospectus utilized in connection with any Registration complies in all material respects with the Securities Act, is filed in accordance with the Securities Act to the extent required thereby, is retained in accordance with the Securities Act to the extent required thereby and, when taken together with the related Prospectus, will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; and

(xxvi) take all such other commercially reasonable actions as are necessary or advisable in order to expedite or facilitate the disposition of such Registrable Securities in accordance with the terms of this Agreement.

(b) The Company may require each Participating Holder to furnish to the Company such information regarding the distribution of such securities and such other information relating to such Holder and its ownership of Registrable Securities as the Company may from time to time reasonably request in writing and the Company may exclude from such Registration or sale the Registrable Securities of any such Holder who unreasonably fails to furnish such information within a reasonable time after receiving such request. Each Participating Holder agrees to furnish such information to the Company and to cooperate with the Company as reasonably necessary to enable the Company to comply with the provisions of this Agreement.

(c) Each Holder agrees that, upon receipt of any notice from the Company of the happening of any event of the kind described in Section 2.05(a)(ix), such Holder will forthwith discontinue disposition of Registrable Securities pursuant to such Registration Statement until such Holder's receipt of the copies of the supplemented or amended Prospectus contemplated by Section 2.05(a)(iv), or until such Holder is advised in writing by the Company that the use of the Prospectus may be resumed, and if so directed by the Company, such Holder shall deliver to the Company (at the Company's expense) all copies, other than permanent file copies then in such Holder's possession, of the Prospectus covering such Registrable Securities current at the time of receipt of such notice. In the event the Company shall give any such notice, the period during which the applicable Registration Statement is required to be maintained effective shall be extended by the number of days during the period from and including the date of the giving of such notice to and including the date when each seller of Registrable Securities covered by such Registration Statement either receives the copies of the supplemented or amended Prospectus contemplated by Section 2.05(a)(ix) or is advised in writing by the Company that the use of the Prospectus may be resumed.

(d) To the extent that the Sponsor or any of its Affiliates is deemed to be an underwriter of Registrable Securities pursuant to any SEC comments or policies or otherwise, the Company agrees that (1) the indemnification and contribution provisions contained in this Agreement shall be applicable to the benefit of such Sponsor or its Affiliates in its role as deemed underwriter in addition to its capacity as Holder and (2) such Sponsor and its Affiliates shall be entitled to conduct such activities which it would normally conduct in connection with satisfying its "due diligence" defense as an underwriter in connection with an offering of securities registered under the Securities Act, including conducting due diligence and the receipt of customary opinions and comfort letters.

SECTION 2.06. Underwritten Offerings.

(a) Demand and Shelf Registrations. If requested by the underwriters for any Underwritten Offering requested by the Sponsor pursuant to a Registration under Section 2.01 or Section 2.02, the Company shall enter into an underwriting agreement with such underwriters for such offering, such agreement to be reasonably satisfactory in substance and form to the Company, the Sponsor and the underwriters, and to contain such representations and warranties by the Company and such other terms as are generally prevailing in agreements of that type. The Participating Holders shall cooperate with the Company in the negotiation of such underwriting agreement and shall give consideration to the reasonable suggestions of the Company regarding the form thereof. Such Holders shall be parties to such underwriting agreement, which underwriting agreement shall (i) contain such representations and warranties by, and the other agreements on the part of, the Company to and for the benefit of such Holders as are customarily made by issuers to selling stockholders in secondary underwritten public offerings and (ii) provide that any or all of the conditions precedent to the obligations of such underwriters under such underwriting agreement also shall be conditions precedent to the obligations of any such Holder. Such Holders shall not be required to make any representations or warranties to or agreements with the Company or the underwriters other than representations, warranties or agreements regarding such Holders, such Holder's title to the Registrable Securities, such Holder's intended method of distribution and any other representations required to be made by such Holder under applicable law, and the aggregate amount of the liability of such Holder shall not exceed such Holder's net proceeds from such Underwritten Offering.

(b) Piggyback Registrations. If the Company proposes to register any of its securities under the Securities Act as contemplated by Section 2.03 and such securities are to be distributed in an Underwritten Offering through one or more underwriters, the Company shall, if requested by any Holder pursuant to Section 2.03 and subject to the provisions of Section 2.03(b), use its reasonable best efforts to arrange for such underwriters to include on the same terms and conditions that apply to the other sellers in such Registration all the Registrable Securities to be offered and sold by such Holder among the securities of the Company to be distributed by such underwriters in such Registration. The Participating Holders shall be parties to the underwriting agreement between the Company and such underwriters, which underwriting agreement shall (i) contain such representations and warranties by, and the other agreements on the part of, the Company to and for the benefit of such Holders as are customarily made by issuers to selling stockholders in secondary underwritten public offerings and (ii) provide that any or all of the conditions precedent to the obligations of such underwriters under such underwriting agreement also shall be conditions precedent to the obligations of such Holders. Any such Holder shall not be required to make any representations or warranties to, or agreements with the Company or the underwriters other than representations, warranties or agreements regarding such Holder, such Holder's title to the Registrable Securities and such Holder's intended method of distribution or any other representations required to be made by such Holder under applicable law, and the aggregate amount of the liability of such Holder shall not exceed such Holder's net proceeds from such Underwritten Offering.

(c) Participation in Underwritten Registrations. Subject to the provisions of Sections 2.06(a) and (b) above, no Person may participate in any Underwritten Offering hereunder unless such Person (i) agrees to sell such Person's securities on the basis provided in any underwriting arrangements approved by the Persons entitled to approve such arrangements and (ii) promptly completes and executes all questionnaires, powers of attorney, indemnities, underwriting agreements and other documents required under the terms of such underwriting arrangements.

(d) Price and Underwriting Discounts. In the case of an Underwritten Offering under Section 2.01 or 2.02, the price, underwriting discount and other financial terms for the Registrable Securities shall be determined by the Sponsor. In addition, in the case of any Underwritten Offering under Section 2.01, Section 2.02 or Section 2.03, each of the Holders may, subject to any limitations on withdrawal contained in Section 2.01, Section 2.02 and Section 2.03, withdraw all or part of their request to participate in the registration pursuant to Section 2.01, 2.02 or 2.03 after being advised of such price, discount and other terms and shall not be required to enter into any agreements or documentation that would require otherwise.

SECTION 2.07. No Inconsistent Agreements; Additional Rights. Neither the Company, nor any of its subsidiaries shall hereafter enter into, and are not currently a party to, any agreement with respect to their respective securities that is inconsistent with the rights granted to the Holders by this Agreement. Without the prior written consent of the Sponsor, neither the Company nor any of its subsidiaries shall enter into any agreement granting registration or similar rights to any Person, and the Company hereby represents and warrants that, as of the date hereof, no registration or similar right have been granted to any other Person other than pursuant to this Agreement.

SECTION 2.08. Registration Expenses. All expenses incident to the Company's performance of or compliance with this Agreement shall be paid by the Company, including (i) all registration and filing fees, and any other fees and expenses associated with filings required to be made with the SEC or FINRA, (ii) all fees and expenses in connection with compliance with any securities or "Blue Sky" laws (including reasonable fees and disbursements of counsel for the underwriters in connection with blue sky qualifications of the Registrable Securities), (iii) all printing, duplicating, word processing, messenger, telephone, facsimile and delivery expenses (including expenses of printing certificates for the Registrable Securities in a form eligible for deposit with The Depository Trust Company and of printing prospectuses), (iv) all fees and disbursements of counsel for the Company and of all independent certified public accountants of the Company and any subsidiaries of the Company (including the expenses of any special audit and cold comfort letters required by or incident to such performance), (v) Securities Act liability insurance or similar insurance if the Company so desires or the underwriters so require in accordance with then-customary underwriting practice, (vi) all fees and expenses incurred in connection with the listing of the Registrable Securities on any securities exchange or quotation of the Registrable Securities on any inter-dealer quotation system, (vii) all applicable rating agency fees with respect to the Registrable Securities, (viii) all reasonable fees and disbursements of legal counsel for the Holders (including, if necessary, local counsel), which counsel shall be selected by the Sponsor, (ix) any reasonable fees and disbursements of underwriters customarily paid by issuers or sellers of securities, (x) all fees and expenses of any special experts or other Persons retained by the Company in connection with any Registration, (xi) all of the Company's internal expenses (including all salaries and expenses of its officers and employees performing legal or accounting duties); (xii) all expenses related to the "road show" for any Public Offering (including all reasonable out-of-pocket expenses of the Sponsor), including all travel, meals and lodging; and (xiii) all fees and expenses incurred in connection with the distribution or Transfer of Registrable Securities to or by a Holder in connection with a Public Offering. All such expenses are referred to herein as "Registration Expenses." The Company shall not be required to pay underwriting discounts and commissions and transfer taxes, if any, attributable to the sale of Registrable Securities.

SECTION 2.09. Indemnification.



(a) Indemnification by the Company. The Company agrees to indemnify and hold harmless, to the fullest extent permitted by law, each Holder, each member, shareholder, limited or general partner thereof, each member, limited or general partner of each such member, shareholder, limited or general partner, each of their respective Affiliates, officers, directors, managers, shareholders, employees, advisors, and agents and each Person who controls (within the meaning of the Securities Act or the Exchange Act) such Persons and each of their respective Representatives from and against any and all losses, penalties, judgments, suits, costs (including preparing to serve as, and serving as, a witness, or deponent or interviewee), claims, damages, liabilities and expenses, joint or several (including reasonable costs of investigation and legal expenses) (each, a "Loss" and collectively "Losses") arising out of or based upon (i) any untrue or alleged untrue statement of a material fact contained in any Registration Statement under which such Registrable Securities were Registered under the Securities Act (including any final, preliminary or summary Prospectus contained therein or any amendment thereof or supplement thereto or any documents incorporated by reference therein) or any other disclosure document produced by or on behalf of the Company or any of its subsidiaries including reports and other documents filed under the Exchange Act, (ii) any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein (in the case of a Prospectus or preliminary Prospectus, in light of the circumstances under which they were made) not misleading or (iii) any actions or inactions or proceedings in respect of the foregoing whether or not such indemnified party is a party thereto; provided, that no selling Holder shall be entitled to indemnification pursuant to this Section 2.09(a) in respect of any untrue statement or omission contained in any information furnished in writing by such selling Holder to the Company specifically for inclusion in a Registration Statement that has not been corrected in a subsequent writing prior to or concurrently with the sale of the Registrable Securities to the Person asserting the claim, unless the relevant Holder timely notified the Company of such untrue statement or omission and the Company failed to take the proper steps to correct such untrue statement or omission. This indemnity shall be in addition to any liability the Company may otherwise have. Such indemnity shall remain in full force and effect regardless of any investigation made by or on behalf of such Holder or any indemnified party and shall survive the transfer of such securities by such Holder. The Company shall also indemnify underwriters, selling brokers, dealer managers and similar securities industry professionals participating in the distribution, their officers and directors and each Person who controls such Persons (within the meaning of the Securities Act and the Exchange Act) to the same extent as provided above with respect to the indemnification of the indemnified parties.

(b) Indemnification by the Participating Holders. Each Participating Holder agrees (severally and not jointly) to indemnify and hold harmless, to the fullest extent permitted by law, the Company, its directors and officers and each Person who controls the Company (within the meaning of the Securities Act or the Exchange Act) from and against any Losses resulting from (i) any untrue statement of a material fact contained in any Registration Statement under which such Registrable Securities were Registered under the Securities Act (including any final, preliminary or summary Prospectus contained therein or any amendment thereof or supplement thereto or any documents incorporated by reference therein), or (ii) any omission to state therein a material fact required to be stated therein or necessary to make the statements therein (in the case of a Prospectus or preliminary Prospectus, in light of the circumstances under which they were made) not misleading; provided that the indemnities set forth in each of the foregoing clauses (i) and (ii) shall only apply to the extent that such untrue statement or omission is contained in any information furnished in writing by such Holder to the Company specifically for inclusion in such Registration Statement and has not been corrected in a subsequent writing prior to or concurrently with the sale of the Registrable Securities to the Person asserting the claim. In no event shall the liability of such Holder hereunder be greater in amount than the dollar amount of the net proceeds received by such Holder under the sale of Registrable Securities giving rise to such indemnification obligation less any amounts paid by such Participating Holder pursuant to Section 2.09(d), and any amounts paid by such Holder as a result of liabilities incurred under the underwriting agreement, if any, related to such sale. The Company shall be entitled to receive indemnities from underwriters, selling brokers, dealer managers and similar securities industry professionals participating in the distribution, to the same extent as provided above (with appropriate modification) with respect to information furnished in writing by such Persons specifically for inclusion in any Prospectus or Registration Statement.

(c) Conduct of Indemnification Proceedings. Any Person entitled to indemnification hereunder shall (i) give prompt (and in any event, within ten (10) Business Days) written notice to the indemnifying party of any claim with respect to which it seeks indemnification (provided that any delay or failure to so notify the indemnifying party shall relieve the indemnifying party of its obligations hereunder only to the extent, if at all, that it is actually and materially prejudiced by reason of such delay or failure) and (ii) permit such indemnifying party to assume the defense of such claim with counsel reasonably satisfactory to the indemnified party; provided that any Person entitled to indemnification hereunder shall have the right to select and employ separate counsel and to participate in the defense of such claim, but the fees and expenses of such counsel shall be at the expense of such Person unless (A) the indemnifying party has agreed in writing to pay such fees or expenses, (B) the indemnifying party shall have failed to assume the defense of such claim within a reasonable time after receipt of notice of such claim from the Person entitled to indemnification hereunder and employ counsel reasonably satisfactory to such Person or has failed to zealously prosecute or defend such claim, (C) the indemnified party has reasonably concluded (based upon advice of its counsel) that there may be legal defenses available to it or other indemnified parties that are different from or in addition to those available to the indemnifying party, or (D) in the reasonable judgment of any such Person (based upon advice of its counsel) a conflict of interest may exist between such Person and the indemnifying party with respect to such claims (in which case, if the Person notifies the indemnifying party in writing that such Person elects to employ separate counsel at the expense of the indemnifying party, the indemnifying party shall not have the right to assume the defense of such claim on behalf of such Person). If the indemnifying party assumes the defense, the indemnifying party shall not have the right to settle such action without the consent of the indemnified party (such consent not to be unreasonably withheld or delayed). No indemnifying party shall consent to entry of any judgment or enter into any settlement which does not include as an unconditional term thereof the giving by the claimant or plaintiff to such indemnified party of an unconditional release from all liability in respect to such claim or litigation without the prior written consent of such indemnified party. If such defense is not assumed by the indemnifying party, the indemnifying party will not be subject to any liability for any settlement made without its prior written consent (such consent not to be unreasonably withheld or delayed). It is understood that the indemnifying party or parties shall not, except as specifically set forth in this Section 2.09(c), in connection with any proceeding or related proceedings in the same jurisdiction, be liable for the reasonable fees, disbursements or other charges of more than one separate firm admitted to practice in such jurisdiction at any one time unless the indemnified party reasonably concludes that a second firm in such jurisdiction is reasonably necessary for such defense, in which case the indemnifying party shall be obligated to pay the reasonable fees and expenses of such additional counsel or counsels.

(d) Contribution. If for any reason the indemnification provided for in paragraphs (a) and (b) of this Section 2.09 is unavailable to an indemnified party or insufficient in respect of any Losses referred to therein (other than as a result of exceptions contained in paragraphs (a) and (b) of this Section 2.09), then the indemnifying party shall contribute to the amount paid or payable by the indemnified party as a result of such Loss in such proportion as is appropriate to reflect the relative fault of the indemnifying party on the one hand and the indemnified party or parties on the other hand in connection with the acts, statements or omissions that resulted in such losses (as well as any other relevant equitable considerations). In connection with any Registration Statement filed with the SEC by the Company, the relative fault of the indemnifying party on the one hand and the indemnified party on the other hand shall be determined by reference to, among other things, whether any untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the indemnifying party or by the indemnified party and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission. The parties hereto agree that it would not be just or equitable if contribution pursuant to this Section 2.09(d) were determined by pro rata allocation or by any other method of allocation that does not take account of the equitable considerations referred to in this Section 2.09(d). No Person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any Person who was not guilty of such fraudulent misrepresentation. The amount paid or payable by an indemnified party as a result of the Losses referred to in Sections 2.09(a) and 2.09(b) shall be deemed to include, subject to the limitations set forth above, any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending any such action or claim. Notwithstanding the provisions of this Section 2.09(d), in connection with any Registration Statement filed by the Company, a Participating Holder shall not be required to contribute any amount in excess of the dollar amount of the net proceeds received by such Holder under the sale of Registrable Securities giving rise to such contribution obligation less any amounts paid by such Holder pursuant to Section 2.09(b) and any amounts paid by such Holder as a result of liabilities incurred under the underwriting agreement, if any, related to such sale. In addition, in no event shall a Holder be required to contribute pursuant to this Section 2.09(d), unless such Holder would have had an indemnification obligation pursuant to Section 2.09(b), if such Section 2.09(b) were applicable, in respect of a Loss (or action in respect thereof) giving rise to such contribution obligation. If indemnification is available under this Section 2.09, the indemnifying parties shall indemnify each indemnified party to the full extent provided in Sections 2.09(a) and 2.09(b) hereof without regard to the provisions of this Section 2.09(d). The remedies provided for in this Section 2.09 are not exclusive and shall not limit any rights or remedies which may otherwise be available to any indemnified party at law or in equity.

SECTION 2.10. Rules 144 and 144A and Regulation S. The Company covenants that it will file the reports required to be filed by it under the Securities Act and the Exchange Act and the rules and regulations adopted by the SEC thereunder (or, if the Company is not required to file such reports, it will, upon the reasonable request of the Sponsor, make publicly available such necessary information for so long as necessary to permit sales pursuant to Rules 144, 144A or Regulation S under the Securities Act, as such Rules may be amended from time to time), and it will take such further action as the Sponsor may reasonably request, all to the extent required from time to time to enable the Sponsor to sell Registrable Securities without Registration under the Securities Act within the limitation of the exemptions provided by (i) Rules 144, 144A or Regulation S under the Securities Act, as such Rules may be amended from time to time, or (ii) any similar rule or regulation hereafter adopted by the SEC. Upon the reasonable request of a Holder, the Company will deliver to such Holder a written statement as to whether it has complied with such requirements and, if not, the specifics thereof.

SECTION 2.11. Confidentiality. Each of the parties hereto shall keep confidential this Agreement and the transactions contemplated hereby, and any nonpublic information received pursuant hereto, and shall not disclose, issue any press release or otherwise make any public statement relating hereto or thereto without the prior written consent of the Sponsor unless so required by applicable law or any governmental authority; provided that no such written consent shall be required (and each party shall be free to release such information) for disclosures (a) to each party's Representatives, partners, members, Affiliates and investment vehicles managed or advised by, or managing or advising, such party, or the Representatives, partners, members, advisors or Affiliates of such investment vehicles, in each case so long as such Persons agree to keep such information confidential, (b) to the extent required to comply with any law, rule or regulation, including formal and informal investigations or requests from any regulatory authority or (c) to the extent such information is known or becomes known to the public in general (other than as a result of a breach of this Section 2.11 by the party seeking to make disclosure).

### ARTICLE III

#### MISCELLANEOUS

SECTION 3.01. Term. This Agreement shall terminate upon the later of the expiration of the Shelf Period and such time as there are no Registrable Securities, except for the provisions of Sections 2.09, 2.10 and Section 2.11 and all of this Article III, which shall survive any such termination.

SECTION 3.02. Injunctive Relief. It is hereby agreed and acknowledged that it will be impossible to measure in money the damage that would be suffered if the parties fail to comply with any of the obligations herein imposed on them and that in the event of any such failure, an aggrieved Person will be irreparably damaged and will not have an adequate remedy at law. Any such Person shall, therefore, be entitled (in addition to any other remedy to which it may be entitled in law or in equity) to injunctive relief, including specific performance, to enforce such obligations, and if any action should be brought in equity to enforce any of the provisions of this Agreement, none of the parties hereto shall raise the defense that there is an adequate remedy at law.

SECTION 3.03. Attorneys' Fees. In any action or proceeding brought to enforce any provision of this Agreement or where any provision hereof is validly asserted as a defense, the successful party shall, to the extent permitted by applicable law, be entitled to recover reasonable attorneys' fees in addition to any other available remedy.

SECTION 3.04. Notices. Unless otherwise specified herein, all notices and other communications authorized or required to be given pursuant to this Agreement shall be in writing and shall be given or made (and shall be deemed to have been duly given or made upon receipt) by personal hand-delivery, by facsimile transmission, by electronic mail, by mailing the same in a sealed envelope, registered first-class mail, postage prepaid, return receipt requested, or by air courier guaranteeing overnight delivery, sent to the Person at the address given for such Person below or such other address as such Person may specify by notice to the Company:

If to the Company:

Forward March Limited  
Crawford House, 50 Cedar Avenue  
Hamilton HM 11, Bermuda  
Attn: Mohammed Khaishgi

with a copy (which shall not constitute notice) to:

mohammed.khaishgi@trgworld.com

If to the Sponsor:

TRG Holdings LLC  
1700 Pennsylvania Avenue, Suite 560  
Washington DC 20006

with a copy (which shall not constitute notice) to:

pat.costello@trgworld.com

If to any Other Holder who becomes party to this agreement after the date hereof, to the address on the counterpart signature page to this Agreement executed by such Other Holder.

Notice to the holder of record of any Registrable Securities shall be deemed to be notice to the holder of such securities for all purposes hereof.

Unless otherwise specified herein, such notices or other communications shall be deemed effective (i) on the date received, if personally delivered, (ii) on the date received if delivered by facsimile or email on a Business Day, or if not delivered on a Business Day, on the first Business Day thereafter and (iii) two (2) Business Days after being sent by overnight courier. Each of the parties hereto shall be entitled to specify a different address by giving notice as aforesaid to each of the other parties hereto.

SECTION 3.05. Amendment.

(a) Any provision of this Agreement may be amended, modified, extended or terminated, and the provisions hereof may be waived, if, and only if, such amendment, modification, extension, termination or waiver is in writing and signed by the Company and TRG; provided that in the event that any Other Holders become party to this Agreement, any amendment, modification or extension or termination that disproportionately and materially adversely affects any of the Other Holders shall require the prior written consent of Other Holders holding a majority of the Registrable Securities held by all such Other Holders. Each such amendment, modification, extension or termination shall be binding upon each party hereto and each Holder. In addition, each party hereto may waive any right hereunder by an instrument in writing signed by such party.

SECTION 3.06. Successors, Assigns and Transferees. TRG (or an Affiliate of TRG to whom TRG has assigned all or a portion of its rights hereunder) may assign all or a portion of its rights hereunder to any Person to which TRG (or such Affiliate of TRG) transfers ownership of all or any of its Registrable Securities; provided, however, that such successor or assign shall not be entitled to such rights unless the successor or assign shall have executed and delivered to the Company a counterpart to this Agreement promptly following the acquisition of such Registrable Securities, in which event such successor or assign shall be deemed a Holder for purposes of this Agreement. The consent of the Company shall be required for Other Holders to assign all or a portion of their rights hereunder to any Person to which such Other Holder may transfer ownership of all or any of its Registrable Securities (other than the Sponsor). In the event that a new Holder becomes party to this Agreement in accordance with this Section 3.06, the Company shall update Schedule A to reflect such Holder's Registrable Securities and shall send the updated Schedule A to the parties hereto in accordance with Section 3.04.

SECTION 3.07. Joinder of Additional Holders. Upon the written agreement of TRG and the Company, holders of Shares (other than transferees of Registrable Securities, which shall be governed by Section 3.06) may become party to this Agreement by executing and delivering an additional counterpart signature page to this Agreement, and thereafter shall be deemed a "Holder" for all purposes hereunder with respect to the number of Shares held by such Holder that TRG and the Company may agree are "Registrable Securities" hereunder. In the event that a new Holder becomes party to this Agreement in accordance with this Section 3.07, the Company shall update Schedule A to reflect such Holder's Registrable Securities and shall send the updated Schedule A to the parties hereto in accordance with Section 3.04.

SECTION 3.08. Binding Effect. Except as otherwise provided in this Agreement, the terms and provisions of this Agreement shall be binding on and inure to the benefit of each of the parties hereto and their respective successors.

SECTION 3.09. Third Parties. Nothing in this Agreement, express or implied, is intended or shall be construed to confer upon any Person not a party hereto (other than each other Person entitled to indemnity or contribution under Section 2.09) any right, remedy or claim under or by virtue of this Agreement.

SECTION 3.10. Governing Law; Jurisdiction. THIS AGREEMENT SHALL BE GOVERNED AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, WITHOUT REGARD TO THE CONFLICTS OF LAW PRINCIPLES THEREOF. ANY ACTION OR PROCEEDING AGAINST THE PARTIES RELATING IN ANY WAY TO THIS AGREEMENT MAY BE BROUGHT AND ENFORCED EXCLUSIVELY IN THE UNITED STATES DISTRICT COURT LOCATED IN THE STATE OF NEW YORK, BOROUGH OF MANHATTAN OR, TO THE EXTENT SUCH COURT DOES NOT HAVE SUBJECT MATTER JURISDICTION, THE COURTS OF THE STATE OF NEW YORK LOCATED IN THE BOROUGH OF MANHATTAN, AND THE PARTIES IRREVOCABLY SUBMIT TO THE JURISDICTION OF BOTH SUCH COURTS IN RESPECT OF ANY SUCH ACTION OR PROCEEDING.

SECTION 3.11. WAIVER OF JURY TRIAL. EACH OF THE PARTIES HERETO HEREBY WAIVES TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY WITH RESPECT TO ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT OR ANY OF THE TRANSACTIONS CONTEMPLATED HEREBY. EACH OF THE PARTIES HEREBY (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF THE OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT HAS BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT, AS APPLICABLE, BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 3.11.

SECTION 3.12. Merger; Binding Effect, etc. This Agreement, including Schedule A hereto, constitutes the entire agreement of the parties with respect to its subject matter, supersedes all prior or contemporaneous oral or written agreements or discussions with respect to such subject matter, and shall be binding upon and inure to the benefit of the parties hereto and thereto and their respective heirs, representatives and successors.

SECTION 3.13. Severability. If any provision of this Agreement shall be held to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby. The parties further agree to replace such void or unenforceable provision of this Agreement with a valid and enforceable provision that will achieve, to the extent possible, the economic, business and other purposes of such void or unenforceable provision.

SECTION 3.14. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, and all of which shall constitute one and the same agreement.

SECTION 3.15. Headings. The heading references herein and in the table of contents hereto are for convenience purposes only, do not constitute a part of this Agreement and shall not be deemed to limit or affect any of the provisions hereof.





IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

**FORWARD MARCH LIMITED**

By: /s/ Mohammed Khaishgi  
Name: Mohammed Khaishgi  
Title: Director

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**THE RESOURCE GROUP INTERNATIONAL LIMITED**

By: /s/ Zia Chishti  
Name: Zia Chishti  
Title: Director

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*[Signature Page to Registration Rights Agreement]*

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SCHEDULE A

4,749,861 Preferred Shares

6,856,139 Common Shares

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## STOCKHOLDER'S AGREEMENT

This STOCKHOLDER'S AGREEMENT (this "Agreement"), dated as of September 15, 2017 ("Effective Date"), is entered into by and between Forward March Ltd., an exempted company incorporated in Bermuda with registration number 52347 (the "Company") and The Resource Group International Limited, an exempted company incorporated in Bermuda with registration number 50201 ("TRGI").

WITNESSETH:

WHEREAS, as of the date hereof, TRGI holds 92.8% of the issued and outstanding common shares of the Company, par value US\$0.0001 per share (the "Common Shares"); and

WHEREAS, the Company and TRGI deem it in their best interests to and wish to set forth certain understandings between the parties, including with respect to certain governance matters.

NOW, THEREFORE, in consideration of the mutual promises of the parties hereto, and of other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, it is mutually agreed by and between the Company and TRGI as follows:

## ARTICLE I

DEFINITIONS

Section 1.01. Certain Definitions. As used in this Agreement, the following terms have the following meanings:

"Affiliate" means, with respect to any Person, any other Person that directly or indirectly Controls, is Controlled by, or is under common Control with, such Person; provided, that (a) neither TRGI nor any of its Affiliates (excluding the Company and its Subsidiaries) shall be deemed an Affiliate of the Company or any of its Subsidiaries, and (b) neither the Company nor any of its Subsidiaries shall be deemed an Affiliate of TRGI or any of its Affiliates (excluding the Company and its Subsidiaries) for purposes of this Agreement.

"Agreement" has the meaning set forth in the preamble.

"Board" means the board of directors of the Company.

"Bye-laws" means the bye-laws of the Company in force from time to time.

"Company" has the meaning set forth in the preamble.

"Company Confidential Information" has the meaning set forth in Section 3.03.

"Common Shares" has the meaning set forth in the Recitals.

"Companies Act" means the Companies Act 1981 (as amended) of Bermuda.

“Control” means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise, and “Controlled” has a correlative meaning.

“Exchange Act” means the Securities Exchange Act of 1934, as amended from time to time, and the rules and regulations promulgated thereunder.

“External Recipients” has the meaning set forth in Section 3.03.

“Identified Person” has the meaning set forth in Section 3.02(a).

“Internal Recipients” has the meaning set forth in Section 3.03.

“Note” means a senior note issued under the Note Purchase Agreement.

“Note Purchase Agreement” means the Note Purchase Agreement entered into between e-Telequote Insurance, Inc. in June 2017 with several note purchasers.

“Parties” means the Company and TRGI.

“Permitted Recipients” has the meaning set forth in Section 3.03.

“Person” means any individual, corporation, partnership, limited liability company, joint venture, association, joint-stock company, trust, unincorporated organization, governmental entity or any other entity.

“Subsidiary” of any Person means any Person (i) of which a majority of the outstanding voting securities or other voting equity interests are owned, directly or indirectly, by such first Person or any Subsidiary of such first Person or (ii) with respect to which such Person or any of its Subsidiaries is a general partner or managing member or is allocated or has the right to be allocated (through partnership interests or otherwise) a majority of such second Person’s gains or losses.

“TRGI” has the meaning set forth in the preamble.

“TRGI Affiliated Person” has the meaning set forth in Section 3.03.

Section 1.02. Other Interpretive Provisions.

(a) The meanings of defined terms are equally applicable to the singular and plural forms of the defined terms.

(b) The words “hereof”, “herein”, “hereunder” and similar words refer to this Agreement as a whole and not to any particular provision of this Agreement; and subsection and section references are to this Agreement unless otherwise specified.

(c) The term “including” is not limiting and means “including without limitation.”

- (d) The captions and headings of this Agreement are for convenience of reference only and shall not affect the interpretation of this Agreement.
- (e) Whenever the context requires, any pronouns used herein shall include the corresponding masculine, feminine or neuter forms.

## ARTICLE II

### APPROVAL RIGHTS

Section 2.01. TRGI Approval Rights. The Company shall not take or commit to take, and (to the extent applicable) shall not cause or permit any of its Subsidiaries to take or commit to take, directly or indirectly, any of the following actions without the consent of TRGI:

- (a) consummation of any acquisition of the stock (including a minority interest) or assets of any other entity (other than a wholly-owned Subsidiary of the Company), in a single transaction or a series of related transactions (whether by purchase, tender offer, exchange offer, merger, other business combination transaction or otherwise), with an enterprise value in excess of US\$2,000,000 in the aggregate;
- (b) a consolidation, merger, amalgamation or other business combination of the Company or any Subsidiary thereof with or into any other entity that is not the Company or a wholly-owned Subsidiary of the Company, or a "Change in Control" (or any similar term) as defined in the Company's or its Subsidiaries' indebtedness documents;
- (c) the disposition or transfer (whether by lease, assignment, sale or otherwise), in a single transaction or a series of related transactions, of any assets of the Company or any of its Subsidiaries to any party that is not the Company or a wholly-owned Subsidiary thereof with a value in excess of US\$2,000,000 in the aggregate or for consideration in excess of US\$2,000,000, other than the sale of inventory, products, or services in the ordinary course of business;
- (d) entry into any corporate strategic relationship involving the payment, contribution, or assignment by the Company or any Subsidiary thereof of money or assets greater than US\$1,000,000;
- (e) (i) the creation of any new class of equity securities of the Company or any of its Subsidiaries, (ii) the issuance of additional shares of any class of equity securities of the Company or any of its Subsidiaries or (iii) any offering of securities of the Company or any of its Subsidiaries, regardless of whether by private placement or public offering, other than, (A) any award under any stockholder-approved equity compensation plan in effect at the Company or (B) in the case of a Subsidiary of the Company, to the Company or a wholly-owned Subsidiary of the Company;
- (f) the incurrence, assumption or guarantee of indebtedness by the Company or any other direct or indirect parent of Etelequote Limited, IBEX Global Limited, or DGS Limited, to any third party that is not the Company or a wholly-owned Subsidiary thereof;

- (g) the incurrence, assumption or guarantee of incremental indebtedness (as measured from indebtedness existing on the Effective Date), in a single transaction or a series of related transactions, by the Company or any of its Subsidiaries owing to a third party that is not the Company or a wholly-owned Subsidiary thereof, in an amount exceeding US\$5,000,000 in the aggregate;
- (h) consent to the transfer of any Note by any holder thereof or any amend any Note or the Note Purchase Agreement;
- (i) any equity re-purchase (or “buybacks”) of the equity securities of the Company or the adoption of any share re-purchase (or “buyback”) plan;
- (j) capital expenditures by the Company or any of its Subsidiaries in an aggregate amount greater than US\$10,000,000 in any fiscal year;
- (k) any listing of any securities of the Company or any of its Subsidiaries on any securities exchange, whether private or public;
- (l) the appointment and/or removal of independent auditors or any material change in accounting policies and principles or internal control procedures of the Company or any of its Subsidiaries;
- (m) any bankruptcy, suspension of payments, assignment to creditors or any similar event or action of the Company or any of its Subsidiaries;
- (n) any liquidation, dissolution or winding up of the Company or any of its Subsidiaries;
- (o) any change of the principal business of the Company or any of its Subsidiaries, entry into new lines of business, or exit from the current line of business;
- (p) any amendment, modification or repeal of any provision of the Company’s organizational documents or the organizational documents of any of its Subsidiaries;
- (q) commencement or settlement by the Company or any of its Subsidiaries of any material litigation.

For the avoidance of doubt, for the purposes of this Section 2.01, any referenced amount, valuation, methodology or other metric referenced in clauses (a) through (q) shall be as determined by TRGI in its sole discretion.

## MISCELLANEOUS

Section 3.01. Termination. This Agreement shall terminate automatically (without any action by either Party) as of the date that TRGI no longer owns 10% or more of all shares issued by the Company, as measured on an as-converted basis (where applicable).

Section 3.02. Corporate Opportunity.

(a) Regulation of Certain Affairs. In recognition and anticipation that (i) certain partners, principals, directors, officers, members, managers, agents, employees and/or other representatives of TRGI (each of the foregoing Persons other than TRGI, an "Identified Person") may serve as directors, officers or agents of the Company or its Subsidiaries, and (ii) TRGI and its Affiliates may now engage and may continue to engage in the same or similar activities (which shall include other business activities that overlap with or compete with those in which the Company or its Subsidiaries, directly or indirectly, may engage) or related lines of business in which the Company or its Subsidiaries, directly or indirectly, may engage, and/or may have an interest in the same or similar areas of corporate opportunities as the Company or its Subsidiaries, directly or indirectly, may have an interest, the provisions of this Section 3.02 are set forth to regulate and define the conduct of certain affairs of the Company and its Subsidiaries with respect to certain classes or categories of business opportunities as they may involve TRGI, its Affiliates and the Identified Persons, and the powers, rights, duties and liabilities of the Company and its Subsidiaries and their respective officers, directors and stockholders in connection therewith.

(b) Competition and Corporate Opportunities. To the fullest extent permitted by law and subject to section 97 of the Companies Act and the Bye-laws, (i) TRGI, its Affiliates and the Identified Persons shall have the right to, and shall have no duty (contractual or otherwise) not to, directly or indirectly engage in the same or similar business activities or lines of business as the Company or any of its Subsidiaries, on its own account, or in partnership with, or as an employee, officer, director or stockholder of any other person, including those lines of business deemed to be competing with the Company or any of its Subsidiaries, (ii) none of the Company or its stockholders or any of its Subsidiaries or their stockholders shall have any rights in and to the business ventures of TRGI, its Affiliates or any Identified Person or the income or profits derived therefrom, (iii) TRGI, its Affiliates and the Identified Persons may do business with any potential or actual customer or supplier of the Company or any of its Subsidiaries, (iv) TRGI, its Affiliates and the Identified Persons may employ or otherwise engage any officer or employee of the Company or any of its Subsidiaries, and (v) the Company, on behalf of itself, its Subsidiaries and its and their respective stockholders, renounces any interest or expectancy of the Company and its Subsidiaries in, or in being offered an opportunity to participate in, any business opportunity that may from time to time be presented to TRGI, its Affiliates or any Identified Person, even if the opportunity is one that the Company or its Subsidiaries might reasonably be deemed to have pursued or had the ability or desire to pursue if granted the opportunity to do so, (vi) none of TRGI, its Affiliates or any Identified Person shall have any duty to communicate or offer such business opportunity to the Company or any of its Subsidiaries or shall be liable to the Company or any of its Subsidiaries or any of their respective stockholders for breach of any fiduciary or other duty (contractual or otherwise), as a director or officer or otherwise, by reason of the fact that TRGI, any of its Affiliates or such Identified Person pursues or acquires such business opportunity, directs such business opportunity to another person or fails to present such business opportunity, or information regarding such business opportunity, to the Company or its Subsidiaries unless, in the case of any such person who is a director or officer of the Company, such business opportunity is expressly offered to such director or officer in writing solely in his or her capacity as a director or officer of the Company.

Section 3.03. Sharing of Information. Notwithstanding anything to the contrary contained in this Agreement, the Company hereby acknowledges and agrees TRGI and its Affiliates or any director or officer of the Company that is an Affiliate of TRGI (each, a "TRGI Affiliated Person") may, to the fullest extent permitted by applicable law and subject to section 97 of the Companies Act and the Bye-laws, use for their own benefit and disclose to their respective Affiliates, partners, principals, directors, officers, managers, agents, employees, professional advisers and other representatives (the "Internal Recipients") and to (a) the investors, limited partners or members of TRGI or its Affiliates and their respective representatives (and, to the extent required for such limited partners' or members' internal reporting obligations, Affiliates of such limited partners or members), (b) persons who have expressed a bona fide interest in becoming investors, limited partners or members of TRGI or its Affiliates, (c) potential transferees of TRGI's equity securities in the Company, (d) potential participants in future transactions involving TRGI or any of its Affiliates (potentially involving the Company or otherwise), and (e) such other persons as TRGI shall deem reasonably necessary in connection with the conduct of its investment and business activities (the "External Recipients" and, together with the Internal Recipients, the "Permitted Recipients"), any and all non-public information with respect to the Company, its Subsidiaries or their Affiliates (including any Person in which the Company holds, or contemplates acquiring, an investment) ("Company Confidential Information") that is in the possession of TRGI or such TRGI Affiliated Person on the date hereof or disclosed after the date of this Agreement to TRGI or such TRGI Affiliated Person by or on behalf of the Company or its Subsidiaries, provided, that the Permitted Recipients agree to keep such Company Confidential Information confidential on the same terms that TRGI requires with respect to its own confidential information; and provided further that TRGI, the TRGI Affiliated Persons and the Permitted Recipients may disclose any Company Confidential Information (x) as has become generally available to the public, was or has come into the possession of TRGI or the relevant TRGI Affiliated Person or Permitted Recipient on a non-confidential basis without a breach of any confidentiality obligations by such Person disclosing such Company Confidential Information, or has been independently developed by TRGI, the TRGI Affiliated Person or Permitted Recipient without use of the Company Confidential Information, (y) to the extent necessary in order to comply with any law, order, regulation or ruling applicable to TRGI, or such TRGI Affiliated Person or Permitted Recipient, or to a regulatory agency with applicable jurisdiction, and (z) as may be required in response to any summons or subpoena or in connection with any litigation or arbitration, provided, in the case of clauses (y) and (z), that TRGI, the TRGI Affiliated Person or Permitted Recipient provides prior written notice of such required disclosure to the Company and takes all commercially reasonable and lawful actions to avoid and/or minimize the extent of such disclosure.



Section 3.04. Notices. In the event a notice is required to be sent hereunder to the Company or TRGI, such notice shall be in writing and shall be (a) delivered in person, (b) sent by registered or certified mail, postage prepaid with return receipt request, or (c) sent by reputable overnight courier service, fees prepaid, to the recipient at its address set forth below (or such other address as either the Company on the one hand or TRGI on the other may from time to time notify to the other). Notices shall be deemed given upon personal delivery, upon receipt of return receipt in the case of delivery by mail or one day following deposit with an overnight courier service. A copy, which shall not constitute notice, of all notices referred to herein shall be sent via email to the email addresses set forth below:

In the case of notices to the Company, to:

Forward March Limited  
Crawford House, 50 Cedar Avenue  
Hamilton HM 11, Bermuda  
Attn: Mohammed Khaishgi  
Email: Mohammed.Khaishgi@trgworld.com

In the case of notices to TRGI, to:

TRG Holdings LLC  
1700 Pennsylvania Ave NW Suite 560  
Washington, DC 20006  
Attn: Pat Costello  
Email: Pat.Costello@trgworld.com

Section 3.05. Amendments. This Agreement shall not be amended, modified or supplemented except by an instrument in writing specifically designated as an amendment hereto and executed by each of the parties hereto.

Section 3.06. Governing Law; Jurisdiction. This Agreement and any dispute arising out of, relating to or in connection with this Agreement, shall be construed (both as to validity and performance), interpreted and enforced in accordance with the laws of the State of New York, without regard to any conflicts of law provisions thereof that would result in the application of the laws of any other jurisdiction. Any action against any party relating to the foregoing shall be brought exclusively in the courts of the United States District Court for the Southern District of New York. The parties hereby irrevocably waive, to the fullest extent permitted by applicable law, any objection that they may now or hereafter have to the laying of venue of any such action brought in such court or any defense of inconvenient forum for the maintenance of such action. Each party agrees that service of summons and complaint or any other process that might be served in any action may be made on such party by sending or delivering a copy of the process to the party to be served by registered mail, return receipt requested, at the address of the party provided for the giving of notices in Section 3.04. Nothing in this Section 3.06, however, shall affect the right of any party to serve legal process in any other manner permitted by law.

Section 3.07. Waiver of Jury Trial. THE PARTIES ACKNOWLEDGE AND AGREE THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THIS AGREEMENT IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES, AND THEREFORE THE PARTIES HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVE ANY RIGHT SUCH PARTY MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT. EACH PARTY CERTIFIES AND ACKNOWLEDGES THAT (I) NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HERETO HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER, (II) EACH SUCH PARTY UNDERSTANDS AND HAS CONSIDERED THE IMPLICATIONS OF THIS WAIVER, (III) EACH SUCH PARTY MAKES THIS WAIVER VOLUNTARILY, AND (IV) EACH SUCH PARTY HAS BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS Section 3.07.

Section 3.08. Entire Agreement. This Agreement embodies the entire agreement and understanding of the Parties and supersedes all prior agreements and understandings between the Parties with respect to the subject matter hereof and thereof.

Section 3.09. Waivers. No waiver of any breach of any of the terms of this Agreement shall be effective unless such waiver is made expressly in writing and executed and delivered by the party against whom such waiver is claimed. No waiver of any breach shall be deemed to be a further or continuing waiver of such breach or a waiver of any other or subsequent breach. Except as otherwise expressly provided herein, no failure on the part of any party to exercise, and no delay in exercising, any right, power or remedy hereunder, or otherwise available in respect hereof at law or in equity, shall operate as a waiver thereof, nor shall any single or partial exercise of such right, power or remedy by such party preclude any other or further exercise thereof, or the exercise of any other right, power or remedy.

Section 3.10. Severability. If any provision of this Agreement shall be held to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

Section 3.11. Counterparts; Electronic Signatures. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument. Facsimile, .pdf and other electronic signatures to this Agreement shall have the same effect as original signatures.

Section 3.12. Third-Party Beneficiaries. This Agreement does not create any rights, claims or benefits inuring to any Person that is not a party hereto, and it does not create or establish any third-party beneficiary hereto.

Section 3.13. Binding Effect; Assignment. Neither this Agreement nor any of the rights, interests or obligations hereunder may be assigned or delegated, in whole or in part, by either Party without the prior written consent of the other Party, and any purported assignment or delegation in contravention of this Section 3.13 shall be null and void and of no force and effect. Subject to the preceding sentence of this Section 3.13, this Agreement shall be binding upon, shall inure to the benefit of and shall be enforceable by the Parties and their respective successors and permitted assigns.

Section 3.14. Specific Performance. It is hereby agreed and acknowledged that it will be impossible to measure in money the damages that would be suffered if the Parties fail to comply with any of the obligations herein imposed on them and that, in the event of any such failure, an aggrieved Person will be irreparably damaged and will not have an adequate remedy at law. Each Party shall, therefore, be entitled (in addition to any other remedy to which such party may be entitled at law or in equity) to injunctive relief, including specific performance, to enforce such obligations, without the posting of any bond and if any action should be brought in equity to enforce any of the provisions of this Agreement, none of the parties hereto shall raise the defense that there is an adequate remedy at law.

[SIGNATURE PAGES FOLLOW]

IN WITNESS HEREOF, the Parties have duly executed this Agreement as of the date first above written.

**FORWARD MARCH LTD.**

By: /s/Mohammed Khaishgi  
Name: Mohammed Khaishgi  
Title: Director

---

*[Signature Page to Stockholder's Agreement]*

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By: /s/Zia Chishti

Name: Zia Chishti

Title: Director

---

*[Signature Page to Stockholder's Agreement]*

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REVOLVING CREDIT AND  
SECURITY AGREEMENT

PNC BANK, NATIONAL ASSOCIATION  
(AS LENDER AND AS AGENT)

WITH

TRG CUSTOMER SOLUTIONS, INC. d/b/a IBEX Global Solutions

AND

EACH PERSON JOINED HERETO AS A BORROWER FROM TIME TO TIME  
(BORROWERS)

November 8, 2013

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REVOLVING CREDIT

AND

SECURITY AGREEMENT

Revolving Credit and Security Agreement dated as of November 8, 2013 among TRG CUSTOMER SOLUTIONS, INC. D/B/A IBEX GLOBAL SOLUTIONS, a corporation organized under the laws of the State of Delaware (“IBEX” and together with each Person joined hereto as a borrower from time to time, collectively, the “Borrowers”, and each a “Borrower”), the financial institutions which are now or which hereafter become a party hereto (collectively, the “Lenders” and each individually a “Lender”) and PNC BANK, NATIONAL ASSOCIATION (“PNC”), as agent for Lenders (PNC, in such capacity, the “Agent”).

IN CONSIDERATION of the mutual covenants and undertakings herein contained, Borrowers, Lenders and Agent hereby agree as follows:

I. DEFINITIONS

1.1. Accounting Terms. As used in this Agreement, the Other Documents or any certificate, report or other document made or delivered pursuant to this Agreement, accounting terms not defined in Section 1.2 or elsewhere in this Agreement and accounting terms partly defined in Section 1.2 to the extent not defined shall have the respective meanings given to them under IFRS; provided, however that, whenever such accounting terms are used for the purposes of determining compliance with financial covenants in this Agreement, such accounting terms shall be defined in accordance with IFRS as applied in preparation of the audited financial statements of Borrowers for the fiscal year ended June 30, 2013. Borrowers shall, in connection with delivery of any audited financial statements, provide a certified statement to Agent clearly identifying any material differences between IFRS and GAAP as they relate to such financial statements.

1.2. General Terms. For purposes of this Agreement the following terms shall have the following meanings:

“Accountants” shall have the meaning set forth in Section 9.7 hereof.

“Advance Rates” shall have the meaning set forth in Section 2.1(a)(y)(ii) hereof.

“Advances” shall mean and include the Revolving Advances, Letters of Credit and the Swing Loans.

“Affected Lender” shall have the meaning set forth in Section 3.11 hereof.

“Affiliate” of any Person shall mean (a) any Person which, directly or indirectly, is in control of, is controlled by, or is under common control with such Person, or (b) any Person who is a director, manager, member, managing member, general partner or officer (i) of such Person, (ii) of any Subsidiary of such Person or (iii) of any Person described in clause (a) above. For purposes of this definition, control of a Person shall mean the power, direct or indirect, (x) to vote 5% or more of the Equity Interests having ordinary voting power for the election of directors of such Person or other Persons performing similar functions for any such Person, or (y) to direct or cause the direction of the management and policies of such Person whether by ownership of Equity Interests, contract or otherwise.

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“Agent” shall have the meaning set forth in the preamble to this Agreement and shall include its successors and assigns.

“Agreement” shall mean this Revolving Credit and Security Agreement, as the same may be amended, restated, supplemented or otherwise modified from time to time.

“Alternate Base Rate” shall mean, for any day, a rate per annum equal to the highest of (a) the Base Rate in effect on such day, (b) the sum of the Federal Funds Open Rate in effect on such day plus one half of one percent (0.5%), and (c) the sum of the Daily LIBOR Rate in effect on such day plus one percent (1.0%), so long as a Daily LIBOR Rate is offered, ascertainable and not unlawful.

“Alternate Source” shall have the meaning set forth in the definition of Federal Funds Open Rate.

“Anti-Terrorism Laws” shall mean any Laws relating to terrorism, trade sanctions programs and embargoes, import/export licensing, money laundering or bribery, and any regulation, order, or directive promulgated, issued or enforced pursuant to such Laws, all as amended, supplemented or replaced from time to time.

“Applicable Law” shall mean all laws, rules and regulations applicable to the Person, conduct, transaction, covenant, Other Document or contract in question, including all applicable common law and equitable principles, all provisions of all applicable state, federal and foreign constitutions, statutes, rules, regulations, treaties, directives and orders of any Governmental Body, and all orders, judgments and decrees of all courts and arbitrators.

“Applicable Margin” shall mean (a) an amount equal to one quarter of one percent (0.25%) for (i) Revolving Advances consisting of Domestic Rate Loans, and (ii) Swing Loans, and (b) an amount equal to two and one half of one percent (2.50%) for Revolving Advances consisting of LIBOR Rate Loans.

“Application Date” shall have the meaning set forth in Section 2.8(b) hereof.

“Approvals” shall have the meaning set forth in Section 5.7(b) hereof.

“Approved Electronic Communication” shall mean each notice, demand, communication, information, document and other material transmitted, posted or otherwise made or communicated by e-mail, E -Fax, the StuckyNet System©, or any other equivalent electronic service agreed to by Agent, whether owned, operated or hosted by Agent, any Lender, any of their Affiliates or any other Person, that any party is obligated to, or otherwise chooses to, provide to Agent pursuant to this Agreement or any Other Document, including any financial statement, financial and other report, notice, request, certificate and other information material; provided that Approved Electronic Communications shall not include any notice, demand, communication, information, document or other material that Agent specifically instructs a Person to deliver in physical form.

“Average Undrawn Availability” shall mean, for any date of determination, the quotient obtained by dividing (a) the sum of Undrawn Availability for each day during the 30-day period ending on the date immediately preceding such date of determination by (b) thirty (30).

“Base Rate” shall mean the base commercial lending rate of PNC as publicly announced to be in effect from time to time, such rate to be adjusted automatically, without notice, on the effective date of any change in such rate. This rate of interest is determined from time to time by PNC as a means of pricing some loans to its customers and is neither tied to any external rate of interest or index nor does it necessarily reflect the lowest rate of interest actually charged by PNC to any particular class or category of customers of PNC.

“Benefited Lender” shall have the meaning set forth in Section 2.6(e) hereof.

“Blocked Account Bank” shall have the meaning set forth in Section 4.8(h) hereof.

“Blocked Accounts” shall have the meaning set forth in Section 4.8(h) hereof.

“Borrower” or “Borrowers” shall have the meaning set forth in the preamble to this Agreement and shall extend to all permitted successors and assigns of such Persons.

“Borrowers on a Consolidated Basis” shall mean the consolidation in accordance with IFRS of the accounts or other items of Borrowers and their respective Subsidiaries.

“Borrowers’ Account” shall have the meaning set forth in Section 2.10 hereof.

“Borrowing Agent” shall mean IBEX.

“Borrowing Base Certificate” shall mean a certificate in substantially the form of Exhibit 1.2 hereto duly executed by the President, Chief Financial Officer or Controller of the Borrowing Agent and delivered to the Agent, appropriately completed, by which such officer shall certify to Agent the Formula Amount and calculation thereof as of the date of such certificate.

“Business Day” shall mean any day other than Saturday or Sunday or a legal holiday on which commercial banks are authorized or required by law to be closed for business in East Brunswick, New Jersey and, if the applicable Business Day relates to any LIBOR Rate Loans, such day must also be a day on which dealings are carried on in the London interbank market.

“Capital Expenditures” shall mean expenditures made or liabilities incurred for the acquisition of any fixed assets or improvements (or of any replacements or substitutions thereof or additions thereto) which have a useful life of more than one year and which, in accordance with IFRS, would be classified as capital expenditures. Capital Expenditures shall include the total principal portion of Capitalized Lease Obligations.



“Capitalized Lease Obligation” shall mean any Indebtedness of any Borrower represented by obligations under a lease that is required to be capitalized for financial reporting purposes in accordance with IFRS.

“Cash Management Products and Services” shall mean agreements or other arrangements under which Agent or any Lender or any Affiliate of Agent or a Lender provides any of the following products or services to any Borrower: (a) credit cards; (b) credit card processing services; (c) debit cards and stored value cards; (d) commercial cards; (e) ACH transactions; and (f) cash management and treasury management services and products, including without limitation controlled disbursement accounts or services, lockboxes, automated clearinghouse transactions, overdrafts, interstate depository network services. The indebtedness, obligations and liabilities of any Borrower to the provider of any Cash Management Products and Services (including all obligations and liabilities owing to such provider in respect of any returned items deposited with such provider) (the “Cash Management Liabilities”) shall be “Obligations” hereunder, guaranteed obligations under the Guaranty and secured obligations under any Guarantor Security Agreement, as applicable, and otherwise treated as Obligations for purposes of each of the Other Documents. The Liens securing the Cash Management Products and Services shall be pari passu with the Liens securing all other Obligations under this Agreement and the Other Documents, subject to the express provisions of Section 11.5.

“Cash Management Liabilities” shall have the meaning provided in the definition of “Cash Management Products and Services.”

“CEA” shall mean the Commodity Exchange Act (7 U.S.C. §1 et seq.), as amended from time to time, and any successor statute.

“CFTC” shall mean the Commodity Futures Trading Commission.

“CERCLA” shall mean the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. §§9601 et seq.

“Change in Law” shall mean the occurrence, after the Closing Date, of any of the following: (a) the adoption or taking effect of any Applicable Law; (b) any change in any Applicable Law or in the administration, implementation, interpretation or application thereof by any Governmental Body; or (c) the making or issuance of any request, rule, guideline or directive (whether or not having the force of law) by any Governmental Body; provided that notwithstanding anything herein to the contrary, (x) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, regulations, guidelines, interpretations or directives thereunder or issued in connection therewith (whether or not having the force of Applicable Law) and (y) all requests, rules, regulations, guidelines, interpretations or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities (whether or not having the force of law), in each case pursuant to Basel III, shall in each case be deemed to be a Change in Law regardless of the date enacted, adopted, issued, promulgated or implemented.

“Change of Control” shall mean (a) the occurrence of any event (whether in one or more transactions) which results in cessation of listing and trading of the Equity Interests of Holdings on a recognized public exchange, (b) the occurrence of any event (whether in one or more transactions) which results in Holdings failing to own one hundred percent (100%) of the Equity Interests (on a fully diluted basis) of any TRG Philippines Inc. or any other Affiliate providing services that are material to any Borrower’s operations or business, or (c) the occurrence of any event (whether in one or more transactions) which results in Holdings failing to own one hundred percent (100%) of the Equity Interests (on a fully diluted basis) of any Borrower.

“Charges” shall mean all taxes, charges, fees, imposts, levies or other assessments, including all net income, gross income, gross receipts, sales, use, ad valorem, value added, transfer, franchise, profits, inventory, capital stock, license, withholding, payroll, employment, social security, unemployment, excise, severance, stamp, occupation and property taxes, custom duties, fees, assessments, liens, claims and charges of any kind whatsoever, together with any interest and any penalties, additions to tax or additional amounts, imposed by any taxing or other authority, domestic or foreign (including the Pension Benefit Guaranty Corporation or any environmental agency or superfund), upon the Collateral, any Borrower or any of its Affiliates.

“CIP Regulations” shall have the meaning set forth in Section 14.12 hereof.

“Closing” shall mean the closing of the transactions described herein.

“Closing Date” shall mean November 8, 2013 or such other date as may be agreed to in writing by the parties hereto.

“Code” shall mean the Internal Revenue Code of 1986, as the same may be amended or supplemented from time to time, and any successor statute of similar import, and the rules and regulations thereunder, as from time to time in effect.

“Collateral” shall mean and include all right, title and interest of each Borrower in all of the following property and assets of such Borrower, in each case whether now existing or hereafter arising or created and whether now owned or hereafter acquired and wherever located:

- (a) all Receivables and all supporting obligations relating thereto;
- (b) all equipment and fixtures;
- (c) all general intangibles (including all payment intangibles and all software) and all supporting obligations related thereto;
- (d) all Inventory;
- (e) all Subsidiary Stock, securities, investment property, and financial assets;
- (f) all contract rights, rights of payment which have been earned under a contract rights, chattel paper (including electronic chattel paper and tangible chattel paper), commercial tort claims (whether now existing or hereafter arising); documents (including all warehouse receipts and bills of lading), deposit accounts, goods, instruments (including promissory notes), letters of credit (whether or not the respective letter of credit is evidenced by a writing) and letter-of-credit rights, cash, certificates of deposit, insurance proceeds (including hazard, flood and credit insurance), security agreements, eminent domain proceeds, condemnation proceeds, tort claim proceeds and all supporting obligations;

(g) all ledger sheets, ledger cards, files, correspondence, records, books of account, business papers, computers, computer software (owned by any Borrower or in which it has an interest), computer programs, tapes, disks and documents, including all of such property relating to the property described in clauses (a) through and including (f) of this definition; and

(h) all proceeds and products of the property described in clauses (a) through and including (g) of this definition, in whatever form. It is the intention of the parties that if Agent shall fail to have a perfected Lien in any particular property or assets of any Borrower for any reason whatsoever, but the provisions of this Agreement and/or of the Other Documents, together with all financing statements and other public filings relating to Liens filed or recorded by Agent against Borrowers, would be sufficient to create a perfected Lien in any property or assets that such Borrower may receive upon the sale, lease, license, exchange, transfer or disposition of such particular property or assets, then all such "proceeds" of such particular property or assets shall be included in the Collateral as original collateral that is the subject of a direct and original grant of a security interest as provided for herein and in the Other Documents (and not merely as proceeds (as defined in Article 9 of the Uniform Commercial Code) in which a security interest is created or arises solely pursuant to Section 9-315 of the Uniform Commercial Code).

Notwithstanding the foregoing, the Lien of Agent shall not extend to and Collateral (or any asset or property comprising the Collateral) shall not include the Excluded Assets.

"Commitment Transfer Supplement" shall mean a document in the form of Exhibit 16.3 hereto, properly completed and otherwise in form and substance satisfactory to Agent by which the Purchasing Lender purchases and assumes a portion of the obligation of Lenders to make Advances under this Agreement.

"Compliance Certificate" shall mean a compliance certificate substantially in the form of Exhibit 1.2(a) hereto to be signed by the Chief Financial Officer or Controller of Borrowing Agent.

"Consents" shall mean all filings and all licenses, permits, consents, approvals, authorizations, qualifications and orders of Governmental Bodies and other third parties, domestic or foreign, necessary to carry on any Borrower's business or necessary (including to avoid a conflict or breach under any agreement, instrument, other document, license, permit or other authorization) for the execution, delivery or performance of this Agreement or the Other Documents, including any Consents required under all applicable federal, state or other Applicable Law.

"Consigned Inventory:" shall mean Inventory of any Borrower that is in the possession of another Person on a consignment, sale or return, or other basis that does not constitute a final sale and acceptance of such Inventory.

“Contract Rate” shall have the meaning set forth in Section 3.1 hereof.

“Controlled Group” shall mean, at any time, each Borrower and all members of a controlled group of corporations and all trades or businesses (whether or not incorporated) under common control and all other entities which, together with any Borrower, are treated as a single employer under Section 414 of the Code.

“Covered Entity” shall mean (a) each Borrower, each of Borrower’s Subsidiaries, all Guarantors and all pledgors of Collateral and (b) each Person that, directly or indirectly, is in control of a Person described in clause (a) above. For purposes of this definition, control of a Person shall mean the direct or indirect (x) ownership of, or power to vote, 25% or more of the issued and outstanding equity interests having ordinary voting power for the election of directors of such Person or other Persons performing similar functions for such Person, or (y) power to direct or cause the direction of the management and policies of such Person whether by ownership of equity interests, contract or otherwise.

“Customer” shall mean and include the account debtor with respect to any Receivable and/or the prospective purchaser of goods, services or both with respect to any contract or contract right, and/or any party who enters into or proposes to enter into any contract or other arrangement with any Borrower, pursuant to which such Borrower is to deliver any personal property or perform any services.

“Customs” shall have the meaning set forth in Section 2.13(b) hereof.

“Daily LIBOR Rate” shall mean, for any day, the rate per annum determined by the Agent by dividing (x) the Published Rate by (y) a number equal to 1.00 minus the Reserve Percentage.

“Debt Payments” shall mean for any period, in each case, all cash actually expended by any Borrower to make: (a) interest payments on any Advances hereunder, plus (b) payments for all fees, commissions and charges set forth herein, plus (c) payments on Capitalized Lease Obligations, plus (d) payments with respect to any other Indebtedness for borrowed money.

“Default” shall mean an event, circumstance or condition which, with the giving of notice or passage of time or both, would constitute an Event of Default.

“Default Rate” shall have the meaning set forth in Section 3.1 hereof.

“Defaulting Lender” shall mean any Lender that: (a) has failed, within two (2) Business Days of the date required to be funded or paid, to (i) fund any portion of its Revolving Commitment Percentage of Advances, (ii) if applicable, fund any portion of its Participation Commitment in Letters of Credit or Swing Loans or (iii) pay over to Agent, Issuer, Swing Loan Lender or any Lender any other amount required to be paid by it hereunder, unless, in the case of clause (i) above, such Lender notifies Agent in writing that such failure is the result of such Lender’s good faith determination that a condition precedent to funding (specifically identified and including a particular Default or Event of Default, if any) has not been satisfied; (b) has notified Borrowers or Agent in writing, or has made a public statement to the effect, that it does not intend or expect to comply with any of its funding obligations under this Agreement (unless such writing or public statement indicates that such position is based on such Lender’s good faith determination that a condition precedent (specifically identified and including a particular Default or Event of Default, if any) to funding a loan under this Agreement cannot be satisfied) or generally under other agreements in which it commits to extend credit; (c) has failed, within two (2) Business Days after request by Agent, acting in good faith, to provide a certification in writing from an authorized officer of such Lender that it will comply with its obligations (and is financially able to meet such obligations) to fund prospective Advances and, if applicable, participations in then outstanding Letters of Credit and Swing Loans under this Agreement, provided that such Lender shall cease to be a Defaulting Lender pursuant to this clause (c) upon Agent’s receipt of such certification in form and substance satisfactory to the Agent; (d) has become the subject of an Insolvency Event; or (e) has failed at any time to comply with the provisions of Section 2.6(e) with respect to purchasing participations from the other Lenders, whereby such Lender’s share of any payment received, whether by setoff or otherwise, is in excess of its pro rata share of such payments due and payable to all of the Lenders.

“Depository Accounts” shall have the meaning set forth in Section 4.8(h) hereof.

“Designated Lender” shall have the meaning set forth in Section 16.2(d) hereof.

“Document” shall have the meaning given to the term “document” in the Uniform Commercial Code.

“Dollar” and the sign “\$” shall mean lawful money of the United States of America.

“Domestic Rate Loan” shall mean any Advance that bears interest based upon the Alternate Base Rate.

“Domestic Subsidiary” shall mean any Subsidiary of Borrower which is not a Foreign Subsidiary.

“Drawing Date” shall have the meaning set forth in Section 2.14(b) hereof.

“Early Termination Date” shall have the meaning set forth in Section 13.1 hereof.

“EBITDA” shall mean for any period with respect to Borrowers on a Consolidated Basis, the sum of (a) net income (or loss) for such period (excluding extraordinary gains and losses), plus (b) all interest expense for such period, plus (c) all charges against income for such period for (1) federal, state and local taxes and (2) expenses on account of the Royalty Agreements, to the extent deducted in determining net income plus (d) depreciation expenses for such period, plus (e) amortization expenses for such period, plus (f) one-time non-recurring expenses or charges incurred in connection with the Closing (which shall include without limitation all such expenses or charges due to Lenders and to CapitalSource Bank in connection with the Closing), to the extent paid within 90 days of the Closing Date plus (g) one-time non-recurring expenses or charges in an amount not to exceed \$100,000 incurred in connection with financing sought but not ultimately obtained from Fifth Third Bank, to the extent paid in cash within 90 days of the Closing Date, plus (h) non-cash expenses related to any Borrower’s employee stock option plan, plus (i) losses from any sale of fixed assets, minus (j) gains from any sale of fixed assets.

“Effective Date” means the date indicated in a document or agreement to be the date on which such document or agreement becomes effective, or, if there is no such indication, the date of execution of such document or agreement.

“Eligible Contract Participant” shall mean an “eligible contract participant” as defined in the CEA and regulations thereunder.

“Eligibility Date” shall mean, with respect to each Borrower and Guarantor and each Swap, the date on which this Agreement or any Other Document becomes effective with respect to such Swap (for the avoidance of doubt, the Eligibility Date shall be the Effective Date of such Swap if this Agreement or any Other Document is then in effect with respect to such Borrower or Guarantor, and otherwise it shall be the Effective Date of this Agreement and/or such Other Document(s) to which such Borrower or Guarantor is a party).

“Eligible Insured Foreign Receivable or Receivables” shall mean Receivables that meet the requirements of Eligible Receivables, except clause (f) of such definition, provided that such Receivable is credit insured (the insurance carrier, amount and terms of such insurance shall be reasonably acceptable to Agent and shall name Agent as beneficiary or loss payee, as applicable).

“Eligible Pre-Approved Foreign Receivable or Receivables” shall mean Receivables that meet the requirements of Eligible Receivables, except clause (f) of such definition, provided that such Receivables (i) are Receivables due from Apple, Express Gifts Ltd. or William Hill Group, or (ii) have been approved by Agent.

“Eligible Receivables” shall mean and include, each Receivable of a Borrower arising in the Ordinary Course of Business and which Agent, in its Permitted Discretion, shall deem to be an Eligible Receivable, based on such considerations as Agent may from time to time deem appropriate. A Receivable shall not be deemed eligible unless such Receivable is subject to Agent’s first priority perfected security interest and no other Lien (other than Permitted Encumbrances), and is evidenced by an invoice or other documentary evidence satisfactory to Agent. In addition, no Receivable shall be an Eligible Receivable if:

- (a) it arises out of a sale made by any Borrower to an Affiliate of any Borrower or to a Person controlled by an Affiliate of any Borrower;
- (b) it is due or unpaid more than ninety (90) days after the original invoice date or sixty (60) days after the original due date;
- (c) twenty-five percent (25%) or more of the Receivables from such Customer are not deemed Eligible Receivables under subclause (b) hereof;
- (d) any material covenant, representation or warranty contained in this Agreement with respect to such Receivable has been breached;
- (e) an Insolvency Event shall have occurred with respect to such Customer;

(f) the sale is to a Customer, which Customer is outside the continental United States of America or a province of Canada that has not adopted the Personal Property Security Act of Canada, unless the sale is on letter of credit, guaranty or acceptance terms, in each case acceptable to Agent in its Permitted Discretion or such Receivable constitutes an Eligible Insured Foreign Receivable;

(g) the sale to the Customer is on a bill-and-hold, guaranteed sale, sale-and-return, sale on approval, consignment or any other repurchase or return basis or is evidenced by chattel paper;

(h) the Customer is the United States of America, any state or any department, agency or instrumentality of any of them, unless the applicable Borrower assigns its right to payment of such Receivable to Agent pursuant to the Assignment of Claims Act of 1940, as amended (31 U.S.C. Sub-Section 3727 et seq. and 41 U.S.C. Sub-Section 15 et seq.) or has otherwise complied with other applicable statutes or ordinances;

(i) the goods giving rise to such Receivable have not been delivered to and accepted by the Customer or the services giving rise to such Receivable have not been performed by the applicable Borrower and accepted by the Customer or the Receivable otherwise does not represent a final sale;

(j) with respect to any Receivable due from any Customer other than (i) AT&T, (ii) Apple, or (iii) DirecTV, such Receivable, together with all other Receivables due from such Customer, exceeds 25% of all outstanding Receivables, unless such Receivable has been approved by Agent (which approval shall not be unreasonably withheld);

(k) the Receivable is subject to any offset, deduction, defense, dispute, credits or counterclaim (but such Receivable shall only be ineligible to the extent of such offset, deduction, defense or counterclaim), or the Receivable is contingent in any respect or for any reason;

(l) the applicable Borrower has made any agreement with any Customer for any deduction therefrom, except for discounts or allowances made in the Ordinary Course of Business, all of which discounts or allowances are reflected in the calculation of the face value of each respective invoice related thereto;

(m) any return, rejection or repossession of the merchandise has occurred or the rendition of services has been disputed;

(n) such Receivable is not payable to a Borrower;

(o) such Receivable does not arise out of a contract between a Borrower and a Customer, or a contract under which such Borrower has rights as an assignee, unless such Receivable shall be permitted by Agent; or

(p) such Receivable is not otherwise satisfactory to Agent as determined in the exercise of its Permitted Discretion.

“Eligible Unbilled Receivables” shall mean Receivables that constitute Eligible Receivables except that such Receivables are not evidenced by an invoice and have not been billed to the applicable Customer; provided, however, that such Receivables shall be evidenced by documentary evidence reasonably satisfactory to Agent (which documentary evidence shall be provided to Agent upon request). Any Receivable that is an Eligible Unbilled Receivable pursuant to the preceding sentence shall cease to be an Eligible Unbilled Receivable if an invoice is not issued with respect to such Receivable within the sixty (60) day period following the date the services were performed and/or the goods were delivered.

“Environmental Complaint” shall have the meaning set forth in Section 9.3(b) hereof.

“Environmental Laws” shall mean all federal, state and local environmental, land use, zoning, health, chemical use, safety and sanitation laws, statutes, ordinances and codes as well as common laws, relating to the protection of the environment, human health and/or governing the use, storage, treatment, generation, transportation, processing, handling, production or disposal of Hazardous Materials and the rules, regulations, policies, guidelines, interpretations, decisions, orders and directives of federal, state, international and local governmental agencies and authorities with respect thereto.

“Equity Interests” shall mean, with respect to any Person, any and all shares, rights to purchase, options, warrants, general, limited or limited liability partnership interests, member interests, participation or other equivalents of or interest in (regardless of how designated) equity of such Person, whether voting or nonvoting, including common stock, preferred stock, convertible securities or any other “equity security” (as such term is defined in Rule 3a11-1 of the General Rules and Regulations promulgated by the SEC under the Exchange Act), including in each case all of the following rights relating to such Equity Interests, whether arising under the Organizational Documents of the Person issuing such Equity Interests (the “issuer”) or under the applicable laws of such issuer’s jurisdiction of organization relating to the formation, existence and governance of corporations, limited liability companies or partnerships or business trusts or other legal entities, as the case may be: (i) all economic rights (including all rights to receive dividends and distributions) relating to such Equity Interests; (ii) all voting rights and rights to consent to any particular action(s) by the applicable issuer; (iii) all management rights with respect to such issuer; (iv) in the case of any Equity Interests consisting of a general partner interest in a partnership, all powers and rights as a general partner with respect to the management, operations and control of the business and affairs of the applicable issuer; (v) in the case of any Equity Interests consisting of the membership/limited liability company interests of a managing member in a limited liability company, all powers and rights as a managing member with respect to the management, operations and control of the business and affairs of the applicable issuer; (vi) all rights to designate or appoint or vote for or remove any officers, directors, manager(s), general partner(s) or managing member(s) of such issuer and/or any members of any board of members/managers/partners/directors that may at any time have any rights to manage and direct the business and affairs of the applicable issuer under its Organizational Documents as in effect from time to time or under Applicable Law; (vii) all rights to amend the Organizational Documents of such issuer, (viii) in the case of any Equity Interests in a partnership or limited liability company, the status of the holder of such Equity Interests as a “partner”, general or limited, or “member” (as applicable) under the applicable Organizational Documents and/or Applicable Law; and (ix) all certificates evidencing such Equity Interests.



“ERISA” shall mean the Employee Retirement Income Security Act of 1974, as the same may be amended or supplemented from time to time and the rules and regulations promulgated thereunder.

“Event of Default” shall have the meaning set forth in Article X hereof.

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

“Excluded Accounts” shall mean any (i) payroll accounts, (ii) withholding tax accounts, (iii) fiduciary accounts, (iv) accounts used to make tax, trust, pension or other similar employee benefit payments, (v) accounts that contain, at all times, less than \$100,000 for all such accounts in the aggregate, and (vi) local cash deposit accounts maintained in the ordinary course of business by a Borrower in proximity to its operations, provided that the total amount on deposit at any one time not so perfected shall not (A) exceed such amounts, if any, that are required to comply with requirements of jurisdictions other than the United States of America or any state thereof or the District of Columbia, or (B) exceed \$150,000 in the aggregate for all such accounts (collectively, the “Excluded Accounts”).

“Excluded Assets” shall mean:

(i) other than Accounts, any lease, license, permit or agreement to which Borrower is a party to the extent, but only to the extent, that such a grant would, under the terms of such lease, license, permit or agreement, result in a breach of the terms of, invalidate, or constitute a default under, such lease, license, permit or agreement or to the extent any requirement of law prohibits the grant of a Lien thereon; (ii) any property of Borrower that is the subject of a Lien securing any purchase money Indebtedness or Capitalized Lease Obligation permitted under this Agreement pursuant to an agreement the terms of which prohibit Borrower from granting any other Liens on such property (with respect to clauses (i) and (ii), other than to the extent that any such term or prohibition would be rendered ineffective pursuant to the UCC or other applicable law); provided, that with respect to any such limitation described in the foregoing clauses (i) or (ii) (A) upon the request of the Agent, such Borrower shall in good faith use commercially reasonable efforts to obtain any requisite consent for the creation of such Lien in favor of the Agent on such property, (B) immediately upon the ineffectiveness, lapse or termination of any such restriction, the Collateral shall include, and Borrower shall be deemed to have granted a Lien on such property hereunder or under the applicable Other Documents, as applicable, as if such restriction had never been in effect; and (C) notwithstanding any such restriction, the Collateral shall, to the extent such restriction does not by its terms apply thereto and such rights and proceeds do not otherwise constitute Excluded Assets, include all rights incident or appurtenant to any such property, and the right to receive all proceeds (as defined in the UCC) derived from, or in connection with the sale, assignment or transfer of, such property; (iii) more than 66% of the total of the issued and outstanding Equity Interests entitled to vote (within the meaning of Treas. Reg. Section 1.956-2(c)(2)) in each Foreign Subsidiary directly owned by Borrower or any Domestic Subsidiary or any assets of any Foreign Subsidiary of Borrower if in any such case Agent’s Lien on such property would create a significant risk of a material adverse tax consequence to Borrower; (iv) any “intent to use” applications for Trademarks for which a statement of use has not been filed and accepted with the United States Patent and Trademark Office; (v) vehicles subject to certificate of title laws; or (vi) those assets as to which Agent determines the cost of obtaining a Lien therein in favor of Agent or the perfection thereof are excessive in relation to the benefit to the Lenders afforded by such Lien. Furthermore, the Lien of Agent need not be perfected in the Excluded Accounts.

“Excluded Hedge Liability or Liabilities” shall mean, with respect to each Borrower and Guarantor, each of its Swap Obligations if, and only to the extent that, all or any portion of this Agreement or any Other Document that relates to such Swap Obligation is or becomes illegal under the CEA, or any rule, regulation or order of the CFTC, solely by virtue of such Borrower’s and/or Guarantor’s failure to qualify as an Eligible Contract Participant on the Eligibility Date for such Swap. Notwithstanding anything to the contrary contained in the foregoing or in any other provision of this Agreement or any Other Document, the foregoing is subject to the following provisos: (a) if a Swap Obligation arises under a master agreement governing more than one Swap, this definition shall apply only to the portion of such Swap Obligation that is attributable to Swaps for which such guaranty or security interest is or becomes illegal under the CEA, or any rule, regulations or order of the CFTC, solely as a result of the failure by such Borrower or Guarantor for any reason to qualify as an Eligible Contract Participant on the Eligibility Date for such Swap; (b) if a guarantee of a Swap Obligation would cause such obligation to be an Excluded Hedge Liability but the grant of a security interest would not cause such obligation to be an Excluded Hedge Liability, such Swap Obligation shall constitute an Excluded Hedge Liability for purposes of the guaranty but not for purposes of the grant of the security interest; and (c) if there is more than one Borrower or Guarantor executing this Agreement or the Other Documents and a Swap Obligation would be an Excluded Hedge Liability with respect to one or more of such Persons, but not all of them, the definition of Excluded Hedge Liability or Liabilities with respect to each such Person shall only be deemed applicable to (i) the particular Swap Obligations that constitute Excluded Hedge Liabilities with respect to such Person, and (ii) the particular Person with respect to which such Swap Obligations constitute Excluded Hedge Liabilities.

“Excluded Taxes” shall mean, with respect to Agent, any Lender, Participant, Swing Loan Lender, Issuer or any other recipient of any payment to be made by or on account of any Obligations, (a) taxes imposed on or measured by its overall net income (however denominated), and franchise taxes imposed on it (in lieu of net income taxes), by the jurisdiction (or any political subdivision thereof) under the laws of which such recipient is organized or in which its principal office or applicable lending office is located or, in the case of any Lender, Participant, Swing Loan Lender or Issuer, in which its applicable lending office is located, (b) any branch profits taxes imposed by the United States of America or any similar tax imposed by any other jurisdiction in which any Borrower is located, (c) in the case of a Foreign Lender, any withholding tax that is imposed on amounts payable to such Foreign Lender at the time such Foreign Lender becomes a party hereto (or designates a new lending office) or is attributable to such Foreign Lender’s failure or inability (other than as a result of a Change in Law) to comply with Section 3.10(e), except to the extent that such Foreign Lender or Participant (or its assignor or seller of a participation, if any) was entitled, at the time of designation of a new lending office (or assignment or sale of a participation), to receive additional amounts from Borrowers with respect to such withholding tax pursuant to Section 3.10(a), or (d) any Taxes imposed on any “withholding payment” payable to such recipient as a result of the failure of such recipient to satisfy the requirements set forth in the FATCA after December 31, 2012.

“Facility Fee” shall have the meaning set forth in Section 3.3(b) hereof.

“FATCA” shall mean Sections 1471 through 1474 of the Code, as of the date of this Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with) and any current or future regulations thereunder or official interpretations thereof.

“Federal Funds Effective Rate” shall mean for any day the rate per annum (based on a year of 360 days and actual days elapsed and rounded upward to the nearest 1/100 of 1%) announced by the Federal Reserve Bank of New York (or any successor) on such day as being the weighted average of the rates on overnight federal funds transactions arranged by federal funds brokers on the previous trading day, as computed and announced by such Federal Reserve Bank (or any successor) in substantially the same manner as such Federal Reserve Bank computes and announces the weighted average it refers to as the “Federal Funds Effective Rate” as of the date of this Agreement; provided, if such Federal Reserve Bank (or its successor) does not announce such rate on any day, the “Federal Funds Effective Rate” for such day shall be the Federal Funds Effective Rate for the last day on which such rate was announced.

“Federal Funds Open Rate” shall mean for any day the rate per annum (based on a year of 360 days and actual days elapsed) which is the daily federal funds open rate as quoted by ICAP North America, Inc. (or any successor) as set forth on the Bloomberg Screen BTMM for that day opposite the caption “OPEN” (or on such other substitute Bloomberg Screen that displays such rate), or as set forth on such other recognized electronic source used for the purpose of displaying such rate as selected by PNC (an “Alternate Source”) (or if such rate for such day does not appear on the Bloomberg Screen BTMM (or any substitute screen) or on any Alternate Source, or if there shall at any time, for any reason, no longer exist a Bloomberg Screen BTMM (or any substitute screen) or any Alternate Source, a comparable replacement rate determined by PNC at such time (which determination shall be conclusive absent manifest error); provided however, that if such day is not a Business Day, the Federal Funds Open Rate for such day shall be the “open” rate on the immediately preceding Business Day. If and when the Federal Funds Open Rate changes, the rate of interest with respect to any advance to which the Federal Funds Open Rate applies will change automatically without notice to Borrowers, effective on the date of any such change.

“Fixed Charge Coverage Ratio” shall mean, with respect to any fiscal period, the ratio of (a) EBITDA, minus Unfunded Capital Expenditures made by any Borrower during such period, minus distributions (including tax distributions but excluding Permitted Holdings Distributions), dividends and Royalty Payments made by any Borrower during such period, minus cash taxes paid by any Borrower during such period to (b) all Debt Payments made by any Borrower during such period.

“Flood Laws” shall mean all Applicable Laws relating to policies and procedures that address requirements placed on federally regulated lenders under the National Flood Insurance Reform Act of 1994 and other Applicable Laws related thereto.

“Foreign Currency Hedge” shall mean any foreign exchange transaction, including spot and forward foreign currency purchases and sales, listed or over-the-counter options on foreign currencies, non-deliverable forwards and options, foreign currency swap agreements, currency exchange rate price hedging arrangements, and any other similar transaction providing for the purchase of one currency in exchange for the sale of another currency entered into by any Borrower, Guarantor and/or any of their respective Subsidiaries.

“Foreign Currency Hedge Liabilities” shall have the meaning assigned in the definition of Lender-Provided Foreign Currency Hedge.

“Foreign Lender” shall mean any Lender that is organized under the laws of a jurisdiction other than that in which Borrowers are resident for tax purposes. For purposes of this definition, the United States of America, each State thereof and the District of Columbia shall be deemed to constitute a single jurisdiction.

“Foreign Subsidiary” shall mean any Subsidiary of any Person that is not organized or incorporated in the United States, any State or territory thereof or the District of Columbia.

“Formula Amount” shall have the meaning set forth in Section 2.1(a) hereof.

“GAAP” shall mean generally accepted accounting principles in the United States of America in effect from time to time.

“Governmental Acts” shall mean any act or omission, whether rightful or wrongful, of any present or future de jure or de facto Governmental Body.

“Governmental Body” shall mean any nation or government, any state or other political subdivision thereof or any entity, authority, agency, division or department exercising the executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to a government (including any supra-national bodies such as the European Union or the European Central Bank) and any group or body charged with setting financial accounting or regulatory capital rules or standards (including, without limitation, the Financial Accounting Standards Board, the Bank for International Settlements or the Basel Committee on Banking Supervision or any successor or similar authority to any of the foregoing).

“Guarantor” shall mean Holdings and any other Person who may hereafter guarantee payment or performance of the whole or any part of the Obligations and “Guarantors” means collectively all such Persons.

“Guarantor Security Agreement” shall mean any security agreement executed by any Guarantor in favor of Agent securing the Obligations or the Guaranty of such Guarantor, in form and substance satisfactory to Agent.

“Guaranty” shall mean any guaranty of the Obligations executed by a Guarantor in favor of Agent for its benefit and for the ratable benefit of Lenders, in form and substance satisfactory to Agent.

“Hazardous Discharge” shall have the meaning set forth in Section 9.3(b) hereof.

“Hazardous Materials” shall mean, without limitation, any flammable explosives, radon, radioactive materials, asbestos, urea formaldehyde foam insulation, polychlorinated biphenyls, petroleum and petroleum products, methane, hazardous materials, Hazardous Wastes, hazardous or Toxic Substances or related materials as defined in or subject to regulation under Environmental Laws.

“Hazardous Wastes” shall mean all waste materials subject to regulation under CERCLA, RCRA or applicable state law, and any other applicable Federal and state laws now in force or hereafter enacted relating to hazardous waste disposal.

“Hedge Liabilities” shall mean collectively, the Foreign Currency Hedge Liabilities and the Interest Rate Hedge Liabilities.

“Holdings” shall mean IBEX Global Solutions PLC, a public limited corporation created under the laws of England and Wales.

“Holdings Note” shall mean that certain Subordinated Intercompany Revolving Demand Note dated on or about the Closing Date executed by Borrower, as maker, and acknowledged by Holdings, as holder.

“IBEX” shall have the meaning given in the recitals hereto.

“IFRS” or “International Financial Reporting Standards” shall mean International Financial Reporting Standards (including International Accounting Standards (IAS)) and Interpretations issued by International Financial Reporting Interpretations Committee (IFRIC) of the International Accounting Standard Board (IASB) from time to time as adopted by the European Union.

“Indebtedness” shall mean, as to any Person at any time, any and all indebtedness, obligations or liabilities (whether matured or unmatured, liquidated or unliquidated, direct or indirect, absolute or contingent, or joint or several) of such Person for or in respect of: (a) borrowed money; (b) amounts received under or liabilities in respect of any note purchase or acceptance credit facility, and all obligations of such Person evidenced by bonds, debentures, notes or other similar instruments; (c) all Capitalized Lease Obligations; (d) reimbursement obligations (contingent or otherwise) under any letter of credit agreement, banker’s acceptance agreement or similar arrangement; (e) obligations under any Interest Rate Hedge, Foreign Currency Hedge, or other interest rate management device, foreign currency exchange agreement, currency swap agreement, commodity price protection agreement or other interest or currency exchange rate or commodity price hedging arrangement; (f) any other advances of credit made to or on behalf of such Person or other transaction (including forward sale or purchase agreements, capitalized leases and conditional sales agreements) having the commercial effect of a borrowing of money entered into by such Person to finance its operations or capital requirements including to finance the purchase price of property or services and all obligations of such Person to pay the deferred purchase price of property or services (but not including trade payables and accrued expenses incurred in the Ordinary Course of Business which are not represented by a promissory note or other evidence of indebtedness and which are not more than thirty (30) days past due); (g) all Equity Interests of such Person subject to repurchase or redemption rights or obligations (excluding repurchases or redemptions at the sole option of such Person); (h) all indebtedness, obligations or liabilities secured by a Lien on any asset of such Person, whether or not such indebtedness, obligations or liabilities are otherwise an obligation of such Person; (i) all obligations of such Person for “earnouts”, purchase price adjustments, profit sharing arrangements, deferred purchase money amounts and similar payment obligations or continuing obligations of any nature of such Person arising out of purchase and sale contracts; (j) off-balance sheet liabilities and/or pension plan liabilities of such Person; (k) obligations arising under bonus, deferred compensation, incentive compensation or similar arrangements, other than those arising in the Ordinary Course of Business; and (l) any guaranty of any indebtedness, obligations or liabilities of a type described in the foregoing clauses (a) through (k).

“Indemnified Taxes” shall mean Taxes other than Excluded Taxes.

“Ineligible Security” shall mean any security which may not be underwritten or dealt in by member banks of the Federal Reserve System under Section 16 of the Banking Act of 1933 (12 U.S.C. Section 24, Seventh), as amended.

“Insolvency Event” shall mean, with respect to any Person, including without limitation any Lender, such Person or such Person’s direct or indirect parent company (a) becomes the subject of a bankruptcy or insolvency proceeding (including any proceeding under Title 11 of the United States Code), or regulatory restrictions, (b) has had a receiver, conservator, trustee, administrator, custodian, assignee for the benefit of creditors or similar Person charged with the reorganization or liquidation of its business appointed for it or has called a meeting of its creditors, (c) admits in writing its inability, or be generally unable, to pay its debts as they become due or cease operations of its present business, (d) with respect to a Lender, such Lender is unable to perform hereunder due to the application of Applicable Law, or (e) in the good faith determination of Agent, has taken any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any such proceeding or appointment of a type described in clauses (a) or (b), provided that an Insolvency Event shall not result solely by virtue of any ownership interest, or the acquisition of any ownership interest, in such Person or such Person’s direct or indirect parent company by a Governmental Body or instrumentality thereof if, and only if, such ownership interest does not result in or provide such Person with immunity from the jurisdiction of courts within the United States or from the enforcement of judgments or writs of attachment on its assets or permit such Person (or such Governmental Body or instrumentality) to reject, repudiate, disavow or disaffirm any contracts or agreements made by such Person.

“Intellectual Property” shall mean property constituting a patent, copyright, trademark (or any application in respect of the foregoing), service mark, copyright, copyright application, trade name, mask work, trade secrets, design right, assumed name or license or other right to use any of the foregoing under Applicable Law.

“Intellectual Property Claim” shall mean the assertion, by any means, by any Person of a claim that any Borrower’s ownership, use, marketing, sale or distribution of any Inventory, equipment, Intellectual Property or other property or asset is violative of any ownership of or right to use any Intellectual Property of such Person.

“Interest Period” shall mean the period provided for any LIBOR Rate Loan pursuant to Section 2.2(b) hereof.

“Interest Rate Hedge” shall mean an interest rate exchange, collar, cap, swap, floor, adjustable strike cap, adjustable strike corridor, cross-currency swap or similar agreements entered into by any Borrower, Guarantor and/or their respective Subsidiaries in order to provide protection to, or minimize the impact upon, such Borrower, any Guarantor and/or their respective Subsidiaries of increasing floating rates of interest applicable to Indebtedness.

“Interest Rate Hedge Liabilities” shall have the meaning assigned in the definition of Lender-Provided Interest Rate Hedge.

“Inventory” shall mean and include as to each Borrower all of such Borrower’s inventory (as defined in Article 9 of the Uniform Commercial Code) and all of such Borrower’s goods, merchandise and other personal property, wherever located, to be furnished under any consignment arrangement, contract of service or held for sale or lease, all raw materials, work in process, finished goods and materials and supplies of any kind, nature or description which are or might be used or consumed in such Borrower’s business or used in selling or furnishing such goods, merchandise and other personal property, and all Documents.

“Issuer” shall mean (i) Agent in its capacity as the issuer of Letters of Credit under this Agreement and (ii) any other Person which Agent in its discretion shall designate as the issuer of and cause to issue any particular Letter of Credit under this Agreement in place of Agent as issuer.

“Law(s)” shall mean any law(s) (including common law), constitution, statute, treaty, regulation, rule, ordinance, opinion, issued guidance, release, ruling, order, executive order, injunction, writ, decree, bond, judgment, authorization or approval, lien or award of or any settlement arrangement, by agreement, consent or otherwise, with any Governmental Body, foreign or domestic.

“Lender” and “Lenders” shall have the meaning ascribed to such term in the preamble to this Agreement and shall include each Person which becomes a transferee, successor or assign of any Lender. For the purpose of provision of this Agreement or any Other Document which provides for the granting of a security interest or other Lien to the Agent for the benefit of Lenders as security for the Obligations, “Lenders” shall include any Affiliate of a Lender to which such Obligation (specifically including any Hedge Liabilities and any Cash Management Liabilities) is owed.

“Lender-Provided Foreign Currency Hedge” shall mean a Foreign Currency Hedge which is provided by any Lender and for which such Lender confirms to Agent in writing prior to the execution thereof that it: (a) is documented in a standard International Swap Dealers Association, Inc. Master Agreement or another reasonable and customary manner; (b) provides for the method of calculating the reimbursable amount of the provider’s credit exposure in a reasonable and customary manner; and (c) is entered into for hedging (rather than speculative) purposes. The liabilities owing to the provider of any Lender-Provided Foreign Currency Hedge (the “Foreign Currency Hedge Liabilities”) by any Borrower, Guarantor, or any of their respective Subsidiaries that is party to such Lender-Provided Foreign Currency Hedge shall, for purposes of this Agreement and all Other Documents be “Obligations” of such Person and of each other Borrower and Guarantor, be guaranteed obligations under any Guaranty and secured obligations under any Guarantor Security Agreement, as applicable, and otherwise treated as Obligations for purposes of the Other Documents, except to the extent constituting Excluded Hedge Liabilities of such Person. The Liens securing the Foreign Currency Hedge Liabilities shall be pari passu with the Liens securing all other Obligations under this Agreement and the Other Documents, subject to the express provisions of Section 11.5 hereof.

“Lender-Provided Interest Rate Hedge” shall mean an Interest Rate Hedge which is provided by any Lender and with respect to which such Lender confirms to Agent in writing prior to the execution thereof that it: (a) is documented in a standard International Swap Dealers Association, Inc. Master Agreement or another reasonable and customary manner; (b) provides for the method of calculating the reimbursable amount of the provider’s credit exposure in a reasonable and customary manner; and (c) is entered into for hedging (rather than speculative) purposes. The liabilities owing to the provider of any Lender-Provided Interest Rate Hedge (the “Interest Rate Hedge Liabilities”) by any Borrower, Guarantor, or any of their respective Subsidiaries that is party to such Lender-Provided Interest Rate Hedge shall, for purposes of this Agreement and all Other Documents be “Obligations” of such Person and of each other Borrower and Guarantor, be guaranteed obligations under any Guaranty and secured obligations under any Guarantor Security Agreement, as applicable, and otherwise treated as Obligations for purposes of the Other Documents, except to the extent constituting Excluded Hedge Liabilities of such Person. The Liens securing the Hedge Liabilities shall be pari passu with the Liens securing all other Obligations under this Agreement and the Other Documents, subject to the express provisions of Section 11.5 hereof.

“Letter of Credit Application” shall have the meaning set forth in Section 2.12(a) hereof.

“Letter of Credit Borrowing” shall have the meaning set forth in Section 2.14(d) hereof.

“Letter of Credit Fees” shall have the meaning set forth in Section 3.2 hereof

“Letter of Credit Sublimit” shall mean \$2,000,000.

“Letters of Credit” shall have the meaning set forth in Section 2.11 hereof.

“LIBOR Alternate Source” shall have the meaning set forth in the definition of LIBOR Rate.

“LIBOR Rate” shall mean for any LIBOR Rate Loan for the then current Interest Period relating thereto, the interest rate per annum determined by Agent by dividing (the resulting quotient rounded upwards, if necessary, to the nearest 1/100th of 1% per annum) (a) the rate which appears on the Bloomberg Page BBAM1 (or on such other substitute Bloomberg page that displays rates at which U.S. dollar deposits are offered by leading banks in the London interbank deposit market), or the rate which is quoted by another source selected by Agent which has been approved by the British Bankers’ Association as an authorized information vendor for the purpose of displaying rates at which U.S. dollar deposits are offered by leading banks in the London interbank deposit market (a “LIBOR Alternate Source”), at approximately 11:00 a.m., London time, two (2) Business Days prior to the commencement of such Interest Period as the London interbank offered rate for U.S. Dollars for an amount comparable to such LIBOR Rate Loan and having a borrowing date and a maturity comparable to such Interest Period (or if there shall at any time, for any reason, no longer exist a Bloomberg Page BBAM1 (or any substitute page) or any LIBOR Alternate Source, a comparable replacement rate determined by Agent at such time (which determination shall be conclusive absent manifest error)), by (b) a number equal 1.00 minus the Reserve Percentage. The LIBOR Rate may also be expressed by the following formula:



LIBOR Rate = Bloomberg Page BBAM1  
1.00 – Reserve Percentage

The LIBOR Rate shall be adjusted with respect to any LIBOR Rate Loan that is outstanding on the effective date of any change in the Reserve Percentage as of such effective date. Agent shall give reasonably prompt notice to the Borrowing Agent of the LIBOR Rate as determined or adjusted in accordance herewith, which determination shall be conclusive absent manifest error.

“LIBOR Rate Loan” shall mean any Advance that bears interest based on the LIBOR Rate.

“License Agreement” shall mean any agreement between any Borrower and a Licensor pursuant to which such Borrower is authorized to use any Intellectual Property in connection with the manufacturing, marketing, sale or other distribution of any Inventory of such Borrower or otherwise in connection with such Borrower’s business operations.

“Licensor” shall mean any Person from whom any Borrower obtains the right to use (whether on an exclusive or non-exclusive basis) any Intellectual Property in connection with such Borrower’s manufacture, marketing, sale or other distribution of any Inventory or otherwise in connection with such Borrower’s business operations.

“Licensor/Agent Agreement” shall mean an agreement between Agent and a Licensor, in form and substance satisfactory to Agent, by which Agent is given the unqualified right, vis-à-vis such Licensor, to enforce Agent’s Liens with respect to and to dispose of any Borrower’s Inventory with the benefit of any Intellectual Property applicable thereto, irrespective of such Borrower’s default under any License Agreement with such Licensor.

“Lien” shall mean any mortgage, deed of trust, pledge, hypothecation, assignment, security interest, lien (whether statutory or otherwise), Charge, claim or encumbrance, or preference, priority or other security agreement or preferential arrangement held or asserted in respect of any asset of any kind or nature whatsoever including any conditional sale or other title retention agreement, any lease having substantially the same economic effect as any of the foregoing, and the filing of, or agreement to give, any financing statement under the Uniform Commercial Code or comparable law of any jurisdiction.

“Lien Waiver Agreement” shall mean an agreement which is executed in favor of Agent by a Person who owns or occupies premises at which any Collateral may be located from time to time in form and substance satisfactory to Agent.

“Material Adverse Effect” shall mean a material adverse effect on (a) the condition (financial or otherwise), results of operations, assets, business, properties or prospects, of Borrower and its Subsidiaries taken as a whole, (b) any Borrower’s or Guarantor’s ability to duly and punctually pay or perform the Obligations in accordance with the terms thereof, (c) the value of the Collateral taken as a whole, or Agent’s Liens on the Collateral or the priority of any such Lien or (d) the practical realization of the benefits of Agent’s and each Lender’s rights and remedies under this Agreement and the Other Documents.

“Material Contract” shall mean any contract, agreement, instrument, permit, lease or license, written or oral, of any Borrower, which is material to any Borrower’s business or which the failure to comply with could reasonably be expected to result in a Material Adverse Effect.

“Maximum Loan Amount” shall mean \$35,000,000.

“Maximum Swing Loan Advance Amount” shall mean \$0.

“Maximum Revolving Advance Amount” shall mean \$35,000,000.

“Maximum Undrawn Amount” shall mean, with respect to any outstanding Letter of Credit as of any date, the amount of such Letter of Credit that is or may become available to be drawn, including all automatic increases provided for in such Letter of Credit, whether or not any such automatic increase has become effective.

“Modified Commitment Transfer Supplement” shall have the meaning set forth in Section 16.3(d) hereof.

“Multiemployer Plan” shall mean a “multiemployer plan” as defined in Sections 3(37) or 4001(a)(3) of ERISA to which contributions are required or, within the preceding five plan years, were required by any Borrower or any member of the Controlled Group.

“Multiple Employer Plan” shall mean a Plan which has two or more contributing sponsors (including any Borrower or any member of the Controlled Group) at least two of whom are not under common control, as such a plan is described in Section 4064 of ERISA.

“Negotiable Document” shall mean a Document that is “negotiable” within the meaning of Article 7 of the Uniform Commercial Code.

“Non-Defaulting Lender” shall mean, at any time, any Lender holding a Revolving Commitment that is not a Defaulting Lender at such time.

“Non-Qualifying Party” shall mean any Borrower or any Guarantor that on the Eligibility Date fails for any reason to qualify as an Eligible Contract Participant.

“Note” shall mean collectively, the Revolving Credit Note and the Swing Loan Note.

“Obligations” shall mean and include any and all loans (including without limitation, all Advances and Swing Loans), advances, debts, liabilities, obligations (including without limitation all reimbursement obligations and cash collateralization obligations with respect to Letters of Credit issued hereunder), covenants and duties owing by any Borrower or Guarantor or any Subsidiary of any Borrower or any Guarantor to Issuer, Swing Loan Lender, Lenders or Agent (or to any other direct or indirect subsidiary or affiliate of Issuer, Swing Loan Lender, any Lender or Agent) of any kind or nature, present or future (including any interest or other amounts accruing thereon, any fees accruing under or in connection therewith, any costs and expenses of any Person payable by any Borrower and any indemnification obligations payable by any Borrower arising or payable after maturity, or after the filing of any petition in bankruptcy, or the commencement of any insolvency, reorganization or like proceeding relating to any Borrower, whether or not a claim for post-filing or post-petition interest, fees or other amounts is allowable or allowed in such proceeding), whether or not evidenced by any note, guaranty or other instrument, whether arising under any agreement, instrument or document (including this Agreement, the Other Documents, Lender-Provided Interest Rate Hedges, Lender-Provided Foreign Currency Hedges and any Cash Management Products and Services) whether or not for the payment of money, whether arising by reason of an extension of credit, opening or issuance of a letter of credit, loan, equipment lease, establishment of any commercial card or similar facility or guarantee, under any interest or currency swap, future, option or other similar agreement, or in any other manner, whether arising out of overdrafts or deposit or other accounts or electronic funds transfers (whether through automated clearing houses or otherwise) or out of Agent’s or any Lender’s non-receipt or inability to collect funds or otherwise not being made whole in connection with depository transfer check or other similar arrangements, whether direct or indirect (including those acquired by assignment or participation), absolute or contingent, joint or several, due or to become due, now existing or hereafter arising, contractual or tortious, liquidated or unliquidated, regardless of how such indebtedness or liabilities arise or by what agreement or instrument they may be evidenced or whether evidenced by any agreement or instrument, including, but not limited to, (i) any and all of any Borrower’s or any Guarantor’s Indebtedness and/or liabilities (and any and all indebtedness, obligations and/or liabilities of any Subsidiary of any Borrower or any Guarantor) under this Agreement, the Other Documents or under any other agreement between Issuer, Agent or Lenders and any Borrower and any amendments, extensions, renewals or increases and all costs and expenses of Issuer, Agent and any Lender incurred in the documentation, negotiation, modification, enforcement, collection or otherwise in connection with any of the foregoing, including but not limited to reasonable attorneys’ fees and expenses and all obligations of any Borrower to Issuer, Agent or Lenders to perform acts or refrain from taking any action, (ii) all Hedge Liabilities and (iii) all Cash Management Liabilities. Notwithstanding anything to the contrary contained in the foregoing, the Obligations shall not include any Excluded Hedge Liabilities.

“Ordinary Course of Business” shall mean, with respect to any Borrower, the ordinary course of such Borrower’s business as conducted on the Closing Date, with such changes as are usual and customary in the industry.

“Organizational Documents” shall mean, with respect to any Person, any charter, articles or certificate of incorporation, certificate of organization, registration or formation, certificate of partnership or limited partnership, bylaws, operating agreement, limited liability company agreement, or partnership agreement of such Person and any and all other applicable documents relating to such Person’s formation, organization or entity governance matters (including any shareholders’ or equity holders’ agreement or voting trust agreement) and specifically includes, without limitation, any certificates of designation for preferred stock or other forms of preferred equity.

“Other Documents” shall mean the Note, the Perfection Certificates, any Guaranty, any Guarantor Security Agreement, any Pledge Agreement, any Lender-Provided Interest Rate Hedge any Lender-Provided Foreign Currency Hedge, the License Agreements, and any and all other agreements, instruments and documents, including intercreditor agreements, guaranties, pledges, powers of attorney, consents, interest or currency swap agreements or other similar agreements and all other writings heretofore, now or hereafter executed by any Borrower or any Guarantor and/or delivered to Agent or any Lender in respect of the transactions contemplated by this Agreement, in each case together with all extensions, renewals, amendments, supplements, modifications, substitutions and replacements thereto and thereof.

“Other Taxes” shall mean all present or future stamp or documentary taxes or any other excise or property taxes, charges or similar levies arising from any payment made hereunder or under any Other Document or from the execution, delivery or enforcement of, or otherwise with respect to, this Agreement or any Other Document.

“Out-of-Formula Loans” shall have the meaning set forth in Section 16.2(e) hereof.

“Parent” of any Person shall mean a corporation or other entity owning, directly or indirectly, 50% or more of the Equity Interests issued by such Person having ordinary voting power to elect a majority of the directors of such Person, or other Persons performing similar functions for any such Person.

“Participant” shall mean each Person who shall be granted the right by any Lender to participate in any of the Advances and who shall have entered into a participation agreement in form and substance satisfactory to such Lender.

“Participation Advance” shall have the meaning set forth in Section 2.14(d) hereof.

“Participation Commitment” shall mean the obligation hereunder of each Lender holding a Revolving Commitment to buy a participation equal to its Revolving Commitment Percentage (subject to any reallocation pursuant to Section 2.22(b)(iii) hereof) in the Swing Loans made by Swing Loan Lender hereunder as provided for in Section 2.4(c) hereof and in the Letters of Credit issued hereunder as provided for in Section 2.14(a) hereof.

“Payment Office” shall mean initially Two Tower Center Boulevard, East Brunswick, New Jersey 08816; thereafter, such other office of Agent, if any, which it may designate by notice to Borrowing Agent and to each Lender to be the Payment Office.

“PBGC” shall mean the Pension Benefit Guaranty Corporation established pursuant to Subtitle A of Title IV of ERISA or any successor.

“Pension Benefit Plan” shall mean at any time any “employee pension benefit plan” as defined in Section 3(2) of ERISA (including a Multiple Employer Plan, but not a Multiemployer Plan) which is covered by Title IV of ERISA or is subject to the minimum funding standards under Sections 412, 430 or 436 of the Code and either (i) is maintained or to which contributions are required by Borrower or any member of the Controlled Group or (ii) has at any time within the preceding five years been maintained or to which contributions have been required by a Borrower or any entity which was at such time a member of the Controlled Group.

“Perfection Certificates” shall mean, collectively, the information questionnaires and the responses thereto provided by each Borrower and delivered to Agent.

“Permitted Discretion” means a determination made in good faith and in the exercise (from the perspective of a secured asset-based lender) of commercially reasonable business judgment.

“Permitted Encumbrances” shall mean: (a) Liens in favor of Agent for the benefit of Agent and Lenders, including without limitation, Liens securing Hedge Liabilities and Cash Management Products and Services; (b) Liens for taxes, assessments or other governmental charges not delinquent or being Properly Contested; (c) deposits or pledges to secure obligations under worker’s compensation, social security or similar laws, or under unemployment insurance; (d) deposits or pledges to secure bids, tenders, contracts (other than contracts for the payment of money), leases, statutory obligations, surety and appeal bonds and other obligations of like nature arising in the Ordinary Course of Business; (e) Liens arising by virtue of the rendition, entry or issuance against any Borrower or any Subsidiary, or any property of any Borrower or any Subsidiary, of any judgment, writ, order, or decree to the extent the rendition, entry, issuance or continued existence of such judgment, writ, order or decree (or any event or circumstance relating thereto) has not resulted in the occurrence of an Event of Default under Section 10.6 hereof; (f) carriers’, repairmen’s, mechanics’, workers’, materialmen’s or other like Liens arising in the Ordinary Course of Business with respect to obligations which are not due or which are being Properly Contested; (g) Liens placed upon fixed assets hereafter acquired to secure a portion of the purchase price thereof, provided that (I) any such lien shall not encumber any other property of any Borrower and (II) the aggregate amount of Indebtedness secured by such Liens incurred as a result of such purchases during any fiscal year shall not exceed the amount permitted in Section 7.6 hereof; and (h) Liens disclosed on Schedule 1.2; ~~provided that~~ such Liens shall secure only those obligations which they secure on the Closing Date and shall not subsequently apply to any other property or assets of any Borrower other than the property and assets to which they apply as of the Closing Date.

“Permitted Holdings Distributions” shall mean a distribution to Holdings from time to time of an amount not to exceed in the aggregate (1) funds in an amount equal to \$11,500,000 provided to a Borrower by Holdings on or prior to the Closing Date, and (2) funds provided after the Closing Date to a Borrower by Holdings as working capital or as a capital contribution and not on account of any services provided by any Borrower, upon satisfaction of the following conditions: (a) Borrowers shall have complied with the covenant in Section 6.15(c), (b) the distribution takes place within ten (10) calendar days following each of the two largest biweekly payroll dates, and (c) both before and after giving pro-forma effect to any such distribution (i) no Default or Event of Default shall exist or will exist; (ii) Borrowers shall have Undrawn Availability of not less than \$3,000,000 if the distribution takes place during calendar days one (1) through five (5) following the largest biweekly payroll dates and (iii) Borrowers shall have Undrawn Availability of no less than \$5,000,000 if the distribution takes place during calendar days six (6) through ten (10) following the largest biweekly payroll date. For purposes of calculating the amount that may be distributed at any time hereunder, all distributions will be deemed distributed on account of the amounts permitted under subsection (1) above until such time that the full amount of the funds provided to Borrowers by Holdings prior to the Closing Date has been returned and thereafter such amounts shall be deemed distributed on account of subsection (2) above.

“Permitted Indebtedness” shall mean: (a) the Obligations; (b) Indebtedness incurred for Capital Expenditures permitted in Section 7.6 hereof; (c) any guarantees of Indebtedness permitted under Section 7.3 hereof; (d) any Indebtedness listed on Schedule 5.8(b)(ii) hereof; (e) Indebtedness consisting of Permitted Loans; (f) Indebtedness incurred by Borrowers from any Affiliate of a Borrower so long as such loan is pursuant to terms and conditions including subordination provisions acceptable to Agent; and (g) Interest Rate Hedges and Foreign Currency Hedges that are entered into by Borrowers to hedge their risks with respect to outstanding Indebtedness of Borrowers and not for speculative or investment purposes.

“Permitted Investments” shall mean investments in: (a) obligations issued or guaranteed by the United States of America or any agency thereof; (b) commercial paper with maturities of not more than 180 days and a published rating of not less than A-1 or P-1 (or the equivalent rating); (c) certificates of time deposit and bankers’ acceptances having maturities of not more than 180 days and repurchase agreements backed by United States government securities of a commercial bank if (i) such bank has a combined capital and surplus of at least \$500,000,000, or (ii) its debt obligations, or those of a holding company of which it is a Subsidiary, are rated not less than A (or the equivalent rating) by a nationally recognized investment rating agency; (d) U.S. money market funds that invest solely in obligations issued or guaranteed by the United States of America or an agency thereof; and (e) Permitted Loans.

“Permitted Loans” shall mean: (a) the extension of trade credit by a Borrower to its Customer(s), in the Ordinary Course of Business in connection with a sale of Inventory or rendition of services, in each case on open account terms; and (b) intercompany loans between and among Borrowers, so long as, at the request of Agent, each such intercompany loan is evidenced by a promissory note (including, if applicable, any master intercompany note executed by Borrowers) on terms and conditions (including terms subordinating payment of the indebtedness evidenced by such note to the prior payment in full of all Obligations, provided that no such subordination shall prohibit payments otherwise permitted hereunder, including Permitted Holdings Distributions) acceptable to Agent in its Permitted Discretion that has been delivered to Agent either endorsed in blank or together with an undated instrument of transfer executed in blank by the applicable Borrower(s) that are the payee(s) on such note.

“Permitted Royalty Payments” shall mean the payment of Royalty Payments by a Borrower on a quarterly basis upon satisfaction of the following conditions: (a) both before and after giving pro-forma effect to any such payments no Default or Event of Default shall exist; and (b) the aggregate amount of such payments shall not exceed four percent (4%) of the Borrowers’ gross revenue (determined in accordance with GAAP) for any fiscal period.

“Person” shall mean any individual, sole proprietorship, partnership, corporation, business trust, joint stock company, trust, unincorporated organization, association, limited liability company, limited liability partnership, institution, public benefit corporation, joint venture, entity or Governmental Body (whether federal, state, county, city, municipal or otherwise, including any instrumentality, division, agency, body or department thereof).

“Plan” shall mean any employee benefit plan within the meaning of Section 3(3) of ERISA (including a Pension Benefit Plan and a Multiemployer Plan, as defined herein) maintained by any Borrower or any member of the Controlled Group or to which any Borrower or any member of the Controlled Group is required to contribute.

“Pledge Agreement” shall mean any pledge agreements executed by any Person to secure the Obligations.

“PNC” shall have the meaning set forth in the preamble to this Agreement and shall extend to all of its successors and assigns.

“Pro Forma Balance Sheet” shall have the meaning set forth in Section 5.5(a) hereof.

“Pro Forma Financial Statements” shall have the meaning set forth in Section 5.5(b) hereof.

“Projections” shall have the meaning set forth in Section 5.5(b) hereof.

“Properly Contested” shall mean, in the case of any Indebtedness, Lien or Taxes, as applicable, of any Person that are not paid as and when due or payable by reason of such Person’s bona fide dispute concerning its liability to pay the same or concerning the amount thereof: (a) such Indebtedness, Lien or Taxes, as applicable, are being properly contested in good faith by appropriate proceedings promptly instituted and diligently conducted; (b) such Person has established appropriate reserves as shall be required in conformity with IFRS; (c) the non-payment of such Indebtedness or Taxes will not have a Material Adverse Effect or will not result in the forfeiture of any assets of such Person; (d) no Lien is imposed upon any of such Person’s assets with respect to such Indebtedness or taxes unless such Lien (x) does not attach to any Receivables or Inventory, (y) is at all times junior and subordinate in priority to the Liens in favor of the Agent (except only with respect to property Taxes that have priority as a matter of applicable state law) and, (z) enforcement of such Lien is stayed during the period prior to the final resolution or disposition of such dispute; and (e) if such Indebtedness or Lien, as applicable, results from, or is determined by the entry, rendition or issuance against a Person or any of its assets of a judgment, writ, order or decree, enforcement of such judgment, writ, order or decree is stayed pending a timely appeal or other judicial review.

“Protective Advances” shall have the meaning set forth in Section 16.2(f) hereof.

“Published Rate” shall mean the rate of interest published each Business Day in the Wall Street Journal “Money Rates” listing under the caption “London Interbank Offered Rates” for a one month period (or, if no such rate is published therein for any reason, then the Published Rate shall be the LIBOR Rate for a one month period as published in another publication selected by the Agent).

“Purchasing CLO” shall have the meaning set forth in Section 16.3(d) hereof.

“Purchasing Lender” shall have the meaning set forth in Section 16.3(c) hereof.

“Qualified ECP Loan Party” shall mean each Borrower or Guarantor that on the Eligibility Date is (a) a corporation, partnership, proprietorship, organization, trust, or other entity other than a “commodity pool” as defined in Section 1a(10) of the CEA and CFTC regulations thereunder that has total assets exceeding \$10,000,000 or (b) an Eligible Contract Participant that can cause another person to qualify as an Eligible Contract Participant on the Eligibility Date under Section 1a(18)(A)(v)(II) of the CEA by entering into or otherwise providing a “letter of credit or keepwell, support, or other agreement” for purposes of Section 1a(18)(A)(v)(II) of the CEA.

“RCRA” shall mean the Resource Conservation and Recovery Act, 42 U.S.C. §§ 6901 et seq., as same may be amended from time to time.

“Real Property” shall mean all of the owned and leased premises identified on Schedule 4.4 hereto or in and to any other premises or real property that are hereafter owned or leased by any Borrower.

“Receivables” shall mean and include, as to each Borrower, all of such Borrower’s accounts (as defined in Article 9 of the Uniform Commercial Code) and all of such Borrower’s contract rights, instruments (including those evidencing indebtedness owed to such Borrower by its Affiliates), documents, chattel paper (including electronic chattel paper), general intangibles relating to accounts, contract rights, instruments, documents and chattel paper, and drafts and acceptances, credit card receivables and all other forms of obligations owing to such Borrower arising out of or in connection with the sale or lease of Inventory or the rendition of services, all supporting obligations, guarantees and other security therefor, whether secured or unsecured, now existing or hereafter created, and whether or not specifically sold or assigned to Agent hereunder.

“Receivables Advance Rate” shall have the meaning set forth in Section 2.1(a)(y)(i) hereof.

“Register” shall have the meaning set forth in Section 16.3(e) hereof.

“Reimbursement Obligation” shall have the meaning set forth in Section 2.14(b) hereof.

“Release” shall have the meaning set forth in Section 5.7(c)(i) hereof.

“Reportable Compliance Event” shall mean that any Covered Entity becomes a Sanctioned Person, or is charged by indictment, criminal complaint or similar charging instrument, arraigned, or custodially detained in connection with any Anti-Terrorism Law or any predicate crime to any Anti-Terrorism Law, or has knowledge of facts or circumstances to the effect that it is reasonably likely that any aspect of its operations is in actual or probable violation of any Anti-Terrorism Law.



“Reportable ERISA Event” shall mean a reportable event described in Section 4043(c) of ERISA or the regulations promulgated thereunder.

“Required Lenders” shall mean Lenders (not including Swing Loan Lender (in its capacity as such Swing Loan Lender) or any Defaulting Lender) holding at least fifty one percent (51%) of the aggregate of the Revolving Commitment Amounts of all Lenders (excluding any Defaulting Lender), or (b) after the termination of all commitments of Lenders hereunder, the sum of the outstanding Revolving Advances and Swing Loans, plus the Maximum Undrawn Amount of all outstanding Letters of Credit; provided, however, if there are fewer than three (3) Lenders, Required Lenders shall mean all Lenders (excluding any Defaulting Lender).

“Reserve Percentage” shall mean as of any day the maximum effective percentage in effect on such day as prescribed by the Board of Governors of the Federal Reserve System (or any successor) for determining the reserve requirements (including supplemental, marginal and emergency reserve requirements) with respect to eurocurrency funding (currently referred to as “Eurocurrency Liabilities”).

“Revolving Advances” shall mean Advances other than Letters of Credit and the Swing Loans.

“Revolving Commitment” shall mean, as to any Lender, the obligation of such Lender (if applicable), to make Revolving Advances and participate in Swing Loans and Letters of Credit, in an aggregate principal and/or face amount not to exceed the Revolving Commitment Amount (if any) of such Lender.

“Revolving Commitment Amount” shall mean, as to any Lender, the Revolving Commitment amount (if any) set forth below such Lender’s name on the signature page hereto (or, in the case of any Lender that became party to this Agreement after the Closing Date pursuant to Section 16.3(c) or (d) hereof, the Revolving Commitment amount (if any) of such Lender as set forth in the applicable Commitment Transfer Supplement).

“Revolving Commitment Percentage” shall mean, as to any Lender, the Revolving Commitment Percentage (if any) set forth below such Lender’s name on the signature page hereof (or, in the case of any Lender that became party to this Agreement after the Closing Date pursuant to Section 16.3(c) or (d) hereof, the Revolving Commitment Percentage (if any) of such Lender as set forth in the applicable Commitment Transfer Supplement).

“Revolving Credit Note” shall mean, collectively, the promissory notes referred to in Section 2.1(a) hereof.

“Revolving Interest Rate” shall mean (a) with respect to Revolving Advances that are Domestic Rate Loans and Swing Loans, an interest rate per annum equal to the sum of the Applicable Margin plus the Alternate Base Rate and (b) with respect to Revolving Advances that are LIBOR Rate Loans, an interest rate per annum equal to the sum of the Applicable Margin plus the LIBOR Rate.

“Royalty Agreements” shall mean all documents and instruments evidencing any Borrower’s obligation to pay any Royalty Payments.

“Royalty Payments” shall mean payments to IBEX Global Europe S.A.R.L. or any other wholly owned Subsidiary of Holdings for the use of intellectual property.

“Sanctioned Country” shall mean a country subject to a sanctions program maintained under any Anti-Terrorism Law.

“Sanctioned Person” shall mean any individual person, group, regime, entity or thing listed or otherwise recognized as a specially designated, prohibited, sanctioned or debarred person, group, regime, entity or thing, or subject to any limitations or prohibitions (including but not limited to the blocking of property or rejection of transactions), under any Anti-Terrorism Law.

“SEC” shall mean the Securities and Exchange Commission or any successor thereto.

“Secured Parties” shall mean, collectively, Agent, Issuer, Swing Loan Lender and Lenders, together with any Affiliates of Agent or any Lender to whom any Hedge Liabilities or Cash Management Liabilities are owed and with each other holder of any of the Obligations, and the respective successors and assigns of each of them.

“Securities Act” shall mean the Securities Act of 1933, as amended.

“Settlement” shall have the meaning set forth in Section 2.6(d) hereof.

“Settlement Date” shall have the meaning set forth in Section 2.6(d) hereof.

“Subsidiary” shall mean of any Person a corporation or other entity of whose Equity Interests having ordinary voting power (other than Equity Interests having such power only by reason of the happening of a contingency) to elect a majority of the directors of such corporation, or other Persons performing similar functions for such entity, are owned, directly or indirectly, by such Person.

“Subsidiary Stock” shall mean (a) with respect to the Equity Interests issued to a Borrower by any Subsidiary (other than a Foreign Subsidiary), 100% of such issued and outstanding Equity Interests, and (b) with respect to any Equity Interests issued to a Borrower by any Foreign Subsidiary (i) 100% of such issued and outstanding Equity Interests not entitled to vote (within the meaning of Treas. Reg. Section 1.956(c)(2)) and (ii) 66% (or such greater percentage that, due to a change in an Applicable Law after the date hereof, (x) could not reasonably be expected to cause the undistributed earnings of such Foreign Subsidiary as determined for United States federal income tax purposes to be treated as a deemed dividend to such Borrower and (y) could not reasonably be expected to cause any material adverse tax consequences) of such issued and outstanding Equity Interests entitled to vote (within the meaning of Treas. Reg. Section 1.956-2(c)(2)).

“Swap” shall mean any “swap” as defined in Section 1a(47) of the CEA and regulations thereunder, other than (a) a swap entered into, or subject to the rules of, a board of trade designated as a contract market under Section 5 of the CEA, or (b) a commodity option entered into pursuant to CFTC Regulation 32.3(a).

“Swap Obligation” means any obligation to pay or perform under any agreement, contract or transaction that constitutes a Swap which is also a Lender-Provided Interest Rate Hedge, or a Lender-Provided Foreign Currency Hedge.

“Swing Loan Lender” shall mean PNC, in its capacity as lender of the Swing Loans.

“Swing Loan Note” shall mean the promissory note described in Section 2.4(a) hereof.

“Swing Loans” shall mean the Advances made pursuant to Section 2.4 hereof.

“Taxes” shall mean all present or future taxes, levies, imposts, duties, deductions, withholdings, assessments, fees or other charges imposed by any Governmental Body, including any interest, additions to tax or penalties applicable thereto.

“Term” shall have the meaning set forth in Section 13.1 hereof.

“Termination Event” shall mean: (a) a Reportable ERISA Event with respect to any Plan; (b) the withdrawal of any Borrower or any member of the Controlled Group from a Plan during a plan year in which such entity was a “substantial employer” as defined in Section 4001(a)(2) of ERISA or a cessation of operations that is treated as such a withdrawal under Section 4062(e) of ERISA; (c) the providing of notice of intent to terminate a Plan in a distress termination described in Section 4041(c) of ERISA; (d) the commencement of proceedings by the PBGC to terminate a Plan; (e) any event or condition (a) which might constitute grounds under Section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any Plan, or (b) that may result in termination of a Multiemployer Plan pursuant to Section 4041A of ERISA; (f) the partial or complete withdrawal within the meaning of Section 4203 or 4205 of ERISA, of any Borrower or any member of the Controlled Group from a Multiemployer Plan; (g) notice that a Multiemployer Plan is subject to Section 4245 of ERISA; or (h) the imposition of any liability under Title IV of ERISA, other than for PBGC premiums due but not diligent, upon any Borrower or any member of the Controlled Group.

“Toxic Substance” shall mean and include any material present on the Real Property which has been shown to have significant adverse effect on human health or which is subject to regulation under the Toxic Substances Control Act (TSCA), 15 U.S.C. §§ 2601 et seq., applicable state law, or any other applicable Federal or state laws now in force or hereafter enacted relating to toxic substances. “Toxic Substance” includes but is not limited to asbestos, polychlorinated biphenyls (PCBs) and lead-based paints.

“Transactions” shall have the meaning set forth in Section 5.5(a) hereof.

“Transferee” shall have the meaning set forth in Section 16.3(d) hereof.

“Unbilled Receivables Advance Rate” shall have the meaning set forth in Section 2.1(a)(y)(ii) hereof.

“Undrawn Availability” at a particular date shall mean an amount equal to (a) the sum of all cash in Depository Accounts plus the lesser of (i) the Formula Amount or (ii) the Maximum Revolving Advance Amount minus the Maximum Undrawn Amount of all outstanding Letters of Credit, minus (b) the sum of (i) the outstanding amount of Advances plus (ii) all amounts due and owing to any Borrower’s trade creditors which are outstanding sixty (60) days or more past their due date (provided that such amount shall not include any amounts in respect of Global Crossing Telecommunications, Inc., unless and until a final payment schedule shall be agreed upon with Global Crossing Telecommunications, Inc.), plus (iii) fees and expenses incurred in connection with the Transactions for which Borrowers are liable but which have not been paid or charged to Borrowers’ Account.

“Unfunded Capital Expenditures” shall mean, as to any Borrower, without duplication, a Capital Expenditure funded (a) from such Borrower’s internally generated cash flow or (b) with the proceeds of a Revolving Advance or Swing Loan.

“Uniform Commercial Code” shall have the meaning set forth in Section 1.3 hereof.

“USA PATRIOT Act” shall mean the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, Public Law 107-56, as the same has been, or shall hereafter be, renewed, extended, amended or replaced.

1.3. Uniform Commercial Code Terms. All terms used herein and defined in the Uniform Commercial Code as adopted in the State of New York from time to time (the “Uniform Commercial Code”) shall have the meaning given therein unless otherwise defined herein. Without limiting the foregoing, the terms “accounts”, “chattel paper” (and “electronic chattel paper” and “tangible chattel paper”), “commercial tort claims”, “deposit accounts”, “documents”, “equipment”, “financial asset”, “fixtures”, “general intangibles”, “goods”, “instruments”, “inventory”, “investment property”, “letter-of-credit rights”, “payment intangibles”, “proceeds”, “promissory note” “securities”, “software” and “supporting obligations” as and when used in the description of Collateral shall have the meanings given to such terms in Articles 8 or 9 of the Uniform Commercial Code. To the extent the definition of any category or type of collateral is expanded by any amendment, modification or revision to the Uniform Commercial Code, such expanded definition will apply automatically as of the date of such amendment, modification or revision.

1.4. Certain Matters of Construction. The terms “herein”, “hereof” and “hereunder” and other words of similar import refer to this Agreement as a whole and not to any particular section, paragraph or subdivision. All references herein to Articles, Sections, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Exhibits and Schedules to, this Agreement. Any pronoun used shall be deemed to cover all genders. Wherever appropriate in the context, terms used herein in the singular also include the plural and vice versa. All references to statutes and related regulations shall include any amendments of same and any successor statutes and regulations. Unless otherwise provided, all references to any instruments or agreements to which Agent is a party, including references to any of the Other Documents, shall include any and all modifications, supplements or amendments thereto, any and all restatements or replacements thereof and any and all extensions or renewals thereof. Except as otherwise expressly provided for herein, all references herein to the time of day shall mean the time in New York, New York. Unless otherwise provided, all financial calculations shall be performed with Inventory valued on a first-in, first-out basis. Whenever the words “including” or “include” shall be used, such words shall be understood to mean “including, without limitation” or “include, without limitation”. A Default or an Event of Default shall be deemed to exist at all times during the period commencing on the date that such Default or Event of Default occurs to the date on which such Default or Event of Default is waived in writing pursuant to this Agreement or, in the case of a Default, is cured within any period of cure expressly provided for in this Agreement; and an Event of Default shall “continue” or be “continuing” until such Event of Default has been waived in writing by Required Lenders. Any Lien referred to in this Agreement or any of the Other Documents as having been created in favor of Agent, any agreement entered into by Agent pursuant to this Agreement or any of the Other Documents, any payment made by or to or funds received by Agent pursuant to or as contemplated by this Agreement or any of the Other Documents, or any act taken or omitted to be taken by Agent, shall, unless otherwise expressly provided, be created, entered into, made or received, or taken or omitted, for the benefit or account of Agent and Lenders. Wherever the phrase “to the best of Borrowers’ knowledge” or words of similar import relating to the knowledge or the awareness of any Borrower are used in this Agreement or Other Documents, such phrase shall mean and refer to (i) the actual knowledge of a senior officer of any Borrower or (ii) the knowledge that a senior officer would have obtained if he/she had engaged in a good faith and diligent performance of his/her duties, including the making of such reasonably specific inquiries as may be necessary of the employees or agents of such Borrower and a good faith attempt to ascertain the existence or accuracy of the matter to which such phrase relates. All covenants hereunder shall be given independent effect so that if a particular action or condition is not permitted by any of such covenants, the fact that it would be permitted by an exception to, or otherwise within the limitations of, another covenant shall not avoid the occurrence of a default if such action is taken or condition exists. In addition, all representations and warranties hereunder shall be given independent effect so that if a particular representation or warranty proves to be incorrect or is breached, the fact that another representation or warranty concerning the same or similar subject matter is correct or is not breached will not affect the incorrectness of a breach of a representation or warranty hereunder.

2.1. Revolving Advances.

(a) Amount of Revolving Advances. Subject to the terms and conditions set forth in this Agreement specifically including Sections 2.1(b) and 2.1(c), each Lender, severally and not jointly, will make Revolving Advances to Borrowers in aggregate amounts outstanding at any time equal to such Lender's Revolving Commitment Percentage of the lesser of (x) the Maximum Revolving Advance Amount, less the outstanding amount of Swing Loans, less the aggregate Maximum Undrawn Amount of all outstanding Letters of Credit or (y) an amount equal to the sum of:

- (i) up to 85% (the "Receivables Advance Rate") of Eligible Receivables, plus
- (ii) up to 85% (the "Unbilled Receivables Advance Rate" and, together with the Receivables Advance Rate, collectively the "Advance Rates") of Eligible Unbilled Receivables, minus

- (iii) the aggregate Maximum Undrawn Amount of all outstanding Letters of Credit, minus
- (iv) such reserves as Agent may in its Permitted Discretion deem necessary from time to time.

The amount derived from the sum of (x) Sections 2.1(a)(y)(i) and 2.1(a)(y)(ii) minus (y) the sum of Sections 2.1(a)(y)(iii) and 2.1(a)(y)(iv) at any time and from time to time shall be referred to as the "Formula Amount". The Revolving Advances shall be evidenced by one or more secured promissory notes (collectively, the "Revolving Credit Note") substantially in the form attached hereto as Exhibit 2.1(a). Notwithstanding anything to the contrary contained in the foregoing or otherwise in this Agreement, the outstanding aggregate principal amount of Swing Loans and the Revolving Advances at any one time outstanding shall not exceed an amount equal to the lesser of (i) the Maximum Revolving Advance Amount less the Maximum Undrawn Amount of all outstanding Letters of Credit or (ii) the Formula Amount.

(b) Submit for Revolving Advances. The aggregate amount of Revolving Advances made to Borrowers against Eligible Pre-Approved Foreign Receivable or Receivables shall not exceed in the aggregate, at any time outstanding, ten percent (10%) of the Formula Amount.

(c) Discretionary Rights. The Advance Rates may be increased or decreased by Agent at any time and from time to time upon five days notice to Borrowing Agent in the exercise of its Permitted Discretion based on the results of field examinations, audits or other collateral evaluations conducted from time to time. Each Borrower consents to any such increases or decreases and acknowledges that decreasing the Advance Rates or increasing or imposing reserves may limit or restrict Advances requested by Borrowing Agent. The rights of Agent under this subsection are subject to the provisions of Section 16.2(b).

2.2. Procedures for Requesting Revolving Advances; Procedures for Selection of Applicable Interest Rates for All Advances.

(a) Borrowing Agent on behalf of any Borrower may notify Agent prior to 1:00 p.m. on a Business Day of a Borrower's request to incur, on that day, a Revolving Advance hereunder. Should any amount required to be paid as interest hereunder, or as fees or other charges under this Agreement or any other agreement with Agent or Lenders, or with respect to any other Obligation under this Agreement, become due, same shall be deemed a request for a Revolving Advance maintained as a Domestic Rate Loan as of the date such payment is due, in the amount required to pay in full such interest, fee, charge or Obligation, and such request shall be irrevocable.

(b) Notwithstanding the provisions of subsection (a) above, in the event any Borrower desires to obtain a LIBOR Rate Loan for any Advance (other than a Swing Loan), Borrowing Agent shall give Agent written notice by no later than 1:00 p.m. on the day which is three (3) Business Days prior to the date such LIBOR Rate Loan is to be borrowed, specifying (i) the date of the proposed borrowing (which shall be a Business Day), (ii) the type of borrowing and the amount of such Advance to be borrowed, which amount shall be in a minimum amount of \$200,000 and in integral multiples of \$100,000 thereafter, and (iii) the duration of the first Interest Period therefor. Interest Periods for LIBOR Rate Loans shall be for one, two or three months; provided that, if an Interest Period would end on a day that is not a Business Day, it shall end on the next succeeding Business Day unless such day falls in the next succeeding calendar month in which case the Interest Period shall end on the next preceding Business Day. No LIBOR Rate Loan shall be made available to any Borrower during the continuance of a Default or an Event of Default. After giving effect to each requested LIBOR Rate Loan, including those which are converted from a Domestic Rate Loan under Section 2.2(e), there shall not be outstanding more than six (6) LIBOR Rate Loans, in the aggregate.

(c) Each Interest Period of a LIBOR Rate Loan shall commence on the date such LIBOR Rate Loan is made and shall end on such date as Borrowing Agent may elect as set forth in subsection (b)(iii) above, provided that the exact length of each Interest Period shall be determined in accordance with the practice of the interbank market for offshore Dollar deposits and no Interest Period shall end after the last day of the Term.

(d) Borrowing Agent shall elect the initial Interest Period applicable to a LIBOR Rate Loan by its notice of borrowing given to Agent pursuant to Section 2.2(b) or by its notice of conversion given to Agent pursuant to Section 2.2(e), as the case may be. Borrowing Agent shall elect the duration of each succeeding Interest Period by giving irrevocable written notice to Agent of such duration not later than 1:00 p.m. on the day which is three (3) Business Days prior to the last day of the then current Interest Period applicable to such LIBOR Rate Loan. If Agent does not receive timely notice of the Interest Period elected by Borrowing Agent, Borrowing Agent shall be deemed to have elected to convert such LIBOR Rate Loan to a Domestic Rate Loan subject to Section 2.2(e) below.

(e) Provided that no Default or Event of Default shall have occurred and be continuing, Borrowing Agent may, on the last Business Day of the then current Interest Period applicable to any outstanding LIBOR Rate Loan, or on any Business Day with respect to Domestic Rate Loans, convert any such loan into a loan of another type in the same aggregate principal amount provided that any conversion of a LIBOR Rate Loan shall be made only on the last Business Day of the then current Interest Period applicable to such LIBOR Rate Loan. If Borrowing Agent desires to convert a loan, Borrowing Agent shall give Agent written notice by no later than 1:00 p.m. (i) on the day which is three (3) Business Days prior to the date on which such conversion is to occur with respect to a conversion from a Domestic Rate Loan to a LIBOR Rate Loan, or (ii) on the day which is one (1) Business Day prior to the date on which such conversion is to occur (which date shall be the last Business Day of the Interest Period for the applicable LIBOR Rate Loan) with respect to a conversion from a LIBOR Rate Loan to a Domestic Rate Loan, specifying, in each case, the date of such conversion, the loans to be converted and if the conversion is to a LIBOR Rate Loan, the duration of the first Interest Period therefor.

(f) At its option and upon written notice given prior to 1:00 p.m. at least three (3) Business Days prior to the date of such prepayment, any Borrower may, subject to Section 2.2(g) hereof, prepay the LIBOR Rate Loans in whole at any time or in part from time to time with accrued interest on the principal being prepaid to the date of such repayment. Such Borrower shall specify the date of prepayment of Advances which are LIBOR Rate Loans and the amount of such prepayment. In the event that any prepayment of a LIBOR Rate Loan is required or permitted on a date other than the last Business Day of the then current Interest Period with respect thereto, such Borrower shall indemnify Agent and Lenders therefor in accordance with Section 2.2(g) hereof.

(g) Each Borrower shall indemnify Agent and Lenders and hold Agent and Lenders harmless from and against any and all losses or expenses that Agent and Lenders may sustain or incur as a consequence of any prepayment, conversion of or any default by any Borrower in the payment of the principal of or interest on any LIBOR Rate Loan or failure by any Borrower to complete a borrowing of, a prepayment of or conversion of or to a LIBOR Rate Loan after notice thereof has been given, including, but not limited to, any interest payable by Agent or Lenders to lenders of funds obtained by it in order to make or maintain its LIBOR Rate Loans hereunder. A certificate as to any additional amounts payable pursuant to the foregoing sentence submitted by Agent or any Lender to Borrowing Agent shall be conclusive absent manifest error.

(h) Notwithstanding any other provision hereof, if any Applicable Law, treaty, regulation or directive, or any change therein or in the interpretation or application thereof, including without limitation any Change in Law, shall make it unlawful for Lenders or any Lender (for purposes of this subsection (h), the term "Lender" shall include any Lender and the office or branch where any Lender or any Person controlling such Lender makes or maintains any LIBOR Rate Loans) to make or maintain its LIBOR Rate Loans, the obligation of Lenders (or such affected Lender) to make LIBOR Rate Loans hereunder shall forthwith be cancelled and Borrowers shall, if any affected LIBOR Rate Loans are then outstanding, promptly upon request from Agent, either pay all such affected LIBOR Rate Loans or convert such affected LIBOR Rate Loans into loans of another type. If any such payment or conversion of any LIBOR Rate Loan is made on a day that is not the last day of the Interest Period applicable to such LIBOR Rate Loan, Borrowers shall pay Agent, upon Agent's request, such amount or amounts set forth in clause (g) above. A certificate as to any additional amounts payable pursuant to the foregoing sentence submitted by Lenders to Borrowing Agent shall be conclusive absent manifest error.

2.3. Reserved.

2.4. Swing Loans.

(a) Subject to the terms and conditions set forth in this Agreement, and in order to minimize the transfer of funds between Lenders and Agent for administrative convenience, Agent, Lenders holding Revolving Commitments and Swing Loan Lender agree that in order to facilitate the administration of this Agreement, Swing Loan Lender may, at its election and option made in its sole discretion cancelable at any time for any reason whatsoever, make swing loan advances ("Swing Loans") available to Borrowers as provided for in this Section 2.4 at any time or from time to time after the date hereof to, but not including, the expiration of the Term, in an aggregate principal amount up to but not in excess of the Maximum Swing Loan Advance Amount, provided that the outstanding aggregate principal amount of Swing Loans and the Revolving Advances at any one time outstanding shall not exceed an amount equal to the lesser of (i) the Maximum Revolving Advance Amount less the Maximum Undrawn Amount of all outstanding Letters of Credit or (ii) the Formula Amount. All Swing Loans shall be Domestic Rate Loans only. Borrowers may borrow (at the option and election of Swing Loan Lender), repay and re-borrow (at the option and election of Swing Loan Lender) Swing Loans and Swing Loan Lender may make Swing Loans as provided in this Section 2.4 during the period between Settlement Dates. All Swing Loans shall be evidenced by a secured promissory note (the "Swing Loan Note") substantially in the form attached hereto as Exhibit 2.4(a). Swing Loan Lender's agreement to make Swing Loans under this Agreement is cancelable at any time for any reason whatsoever and the making of Swing Loans by Swing Loan Lender from time to time shall not create any duty or obligation, or establish any course of conduct, pursuant to which Swing Loan Lender shall thereafter be obligated to make Swing Loans in the future.



(b) Upon either (i) any request by Borrowing Agent for a Revolving Advance made pursuant to Section 2.2(a) hereof or (ii) the occurrence of any deemed request by Borrowers for a Revolving Advance pursuant to the provisions of the last sentence of Section 2.2(a) hereof, Swing Loan Lender may elect, in its sole discretion, to have such request or deemed request treated as a request for a Swing Loan, and may advance same day funds to Borrowers as a Swing Loan; provided that notwithstanding anything to the contrary provided for herein, Swing Loan Lender may not make Swing Loan Advances if Swing Loan Lender has been notified by Agent or by Required Lenders that one or more of the applicable conditions set forth in Section 8.2 of this Agreement have not been satisfied or the Revolving Commitments have been terminated for any reason.

(c) Upon the making of a Swing Loan (whether before or after the occurrence of a Default or an Event of Default and regardless of whether a Settlement has been requested with respect to such Swing Loan), each Lender holding a Revolving Commitment shall be deemed, without further action by any party hereto, to have unconditionally and irrevocably purchased from Swing Loan Lender, without recourse or warranty, an undivided interest and participation in such Swing Loan in proportion to its Revolving Commitment Percentage. Swing Loan Lender or Agent may, at any time, require the Lenders holding Revolving Commitments to fund such participations by means of a Settlement as provided for in Section 2.6(d) below. From and after the date, if any, on which any Lender holding a Revolving Commitment is required to fund, and funds, its participation in any Swing Loans purchased hereunder, Agent shall promptly distribute to such Lender its Revolving Commitment Percentage of all payments of principal and interest and all proceeds of Collateral received by Agent in respect of such Swing Loan; provided that no Lender holding a Revolving Commitment shall be obligated in any event to make Revolving Advances in an amount in excess of its Revolving Commitment Amount minus its Participation Commitment (taking into account any reallocations under Section 2.22) of the Maximum Undrawn Amount of all outstanding Letters of Credit.

2.5. Disbursement of Advance Proceeds. All Advances shall be disbursed from whichever office or other place Agent may designate from time to time and, together with any and all other Obligations of Borrowers to Agent or Lenders, shall be charged to Borrowers' Account on Agent's books. The proceeds of each Revolving Advance or Swing Loan requested by Borrowing Agent on behalf of any Borrower or deemed to have been requested by any Borrower under Sections 2.2(a), 2.6(b) or 2.14 hereof shall, (i) with respect to requested Revolving Advances, to the extent Lenders make such Revolving Advances in accordance with Section 2.2(a), 2.6(b) or 2.14 hereof, and with respect to Swing Loans made upon any request by Borrowing Agent for a Revolving Advance to the extent Swing Loan Lender makes such Swing Loan in accordance with Section 2.4(b) hereof, be made available to the applicable Borrower on the day so requested by way of credit to such Borrower's operating account at PNC, or such other bank as Borrowing Agent may designate following notification to Agent, in immediately available federal funds or other immediately available funds or, (ii) with respect to Revolving Advances deemed to have been requested by any Borrower or Swing Loans made upon any deemed request for a Revolving Advance by any Borrower, be disbursed to Agent to be applied to the outstanding Obligations giving rise to such deemed request. During the Term, Borrowers may use the Revolving Advances and Swing Loans by borrowing, prepaying and reborrowing, all in accordance with the terms and conditions hereof.

2.6. Making and Settlement of Advances.

(a) Each borrowing of Revolving Advances shall be advanced according to the applicable Revolving Commitment Percentages of Lenders holding the Revolving Commitments (subject to any contrary terms of Section 2.22). Each borrowing of Swing Loans shall be advanced by Swing Loan Lender alone.

(b) Promptly after receipt by Agent of a request or a deemed request for a Revolving Advance pursuant to Section 2.2(a) and, with respect to Revolving Advances, to the extent Agent elects not to provide a Swing Loan or the making of a Swing Loan would result in the aggregate amount of all outstanding Swing Loans exceeding the maximum amount permitted in Section 2.4(a), Agent shall notify Lenders holding the Revolving Commitments of its receipt of such request specifying the information provided by Borrowing Agent and the apportionment among Lenders of the requested Revolving Advance as determined by Agent in accordance with the terms hereof. Each Lender shall remit the principal amount of each Revolving Advance to Agent such that Agent is able to, and Agent shall, to the extent the applicable Lenders have made funds available to it for such purpose and subject to Section 8.2, fund such Revolving Advance to Borrowers in U.S. Dollars and immediately available funds at the Payment Office prior to the close of business, on the applicable borrowing date; provided that if any applicable Lender fails to remit such funds to Agent in a timely manner, Agent may elect in its sole discretion to fund with its own funds the Revolving Advance of such Lender on such borrowing date, and such Lender shall be subject to the repayment obligation in Section 2.6(c) hereof.

(c) Unless Agent shall have been notified by telephone, confirmed in writing, by any Lender holding a Revolving Commitment that such Lender will not make the amount which would constitute its applicable Revolving Commitment Percentage of the requested Revolving Advance available to Agent, Agent may (but shall not be obligated to) assume that such Lender has made such amount available to Agent on such date in accordance with Section 2.6(b) and may, in reliance upon such assumption, make available to Borrowers a corresponding amount. In such event, if a Lender has not in fact made its applicable Revolving Commitment Percentage of the requested Revolving Advance available to Agent, then the applicable Lender and Borrowers severally agree to pay to Agent on demand such corresponding amount with interest thereon, for each day from and including the date such amount is made available to Borrowers through but excluding the date of payment to Agent, at (i) in the case of a payment to be made by such Lender, the greater of (A) (x) the daily average Federal Funds Effective Rate (computed on the basis of a year of 360 days) during such period as quoted by Agent, times (y) such amount or (B) a rate determined by Agent in accordance with banking industry rules on interbank compensation, and (ii) in the case of a payment to be made by Borrower, the Revolving Interest Rate for Revolving Advances that are Domestic Rate Loans. If such Lender pays its share of the applicable Revolving Advance to Agent, then the amount so paid shall constitute such Lender's Revolving Advance. Any payment by Borrowers shall be without prejudice to any claim Borrowers may have against a Lender holding a Revolving Commitment that shall have failed to make such payment to Agent. A certificate of Agent submitted to any Lender or Borrower with respect to any amounts owing under this paragraph (c) shall be conclusive, in the absence of manifest error.

(d) Agent, on behalf of Swing Loan Lender, shall demand settlement (a "Settlement") of all or any Swing Loans with Lenders holding the Revolving Commitments on at least a weekly basis, or on any more frequent date that Agent elects or that Swing Loan Lender at its option exercisable for any reason whatsoever may request, by notifying Lenders holding the Revolving Commitments of such requested Settlement by facsimile, telephonic or electronic transmission no later than 3:00 p.m. on the date of such requested Settlement (the "Settlement Date"). Subject to any contrary provisions of Section 2.22, each Lender holding a Revolving Commitment shall transfer the amount of such Lender's Revolving Commitment Percentage of the outstanding principal amount (plus interest accrued thereon to the extent requested by Agent) of the applicable Swing Loan with respect to which Settlement is requested by Agent, to such account of Agent as Agent may designate not later than 5:00 p.m. on such Settlement Date if requested by Agent by 3:00 p.m., otherwise not later than 5:00 p.m. on the next Business Day. Settlements may occur at any time notwithstanding that the conditions precedent to making Revolving Advances set forth in Section 8.2 have not been satisfied or the Revolving Commitments shall have otherwise been terminated at such time. All amounts so transferred to Agent shall be applied against the amount of outstanding Swing Loans and, when so applied shall constitute Revolving Advances of such Lenders accruing interest as Domestic Rate Loans. If any such amount is not transferred to Agent by any Lender holding a Revolving Commitment on such Settlement Date, Agent shall be entitled to recover such amount on demand from such Lender together with interest thereon as specified in Section 2.6(c).

(e) If any Lender or Participant (a "Benefited Lender") shall at any time receive any payment of all or part of its Advances, or interest thereon, or receive any Collateral in respect thereof (whether voluntarily or involuntarily or by set-off) in a greater proportion than any such payment to and Collateral received by any other Lender, if any, in respect of such other Lender's Advances, or interest thereon, and such greater proportionate payment or receipt of Collateral is not expressly permitted hereunder, such Benefited Lender shall purchase for cash from the other Lenders a participation in such portion of each such other Lender's Advances, or shall provide such other Lender with the benefits of any such Collateral, or the proceeds thereof, as shall be necessary to cause such Benefited Lender to share the excess payment or benefits of such Collateral or proceeds ratably with each of the other Lenders; provided, however, that if all or any portion of such excess payment or benefits is thereafter recovered from such Benefited Lender, such purchase shall be rescinded, and the purchase price and benefits returned, to the extent of such recovery, but without interest. Each Borrower consents to the foregoing and agrees, to the extent it may effectively do so under Applicable Law, that each Lender so purchasing a portion of another Lender's Advances may exercise all rights of payment (including rights of set-off) with respect to such portion as fully as if such Lender were the direct holder of such portion, and the obligations owing to each such purchasing Lender in respect of such participation and such purchased portion of any other Lender's Advances shall be part of the Obligations secured by the Collateral, and the obligations owing to each such purchasing Lender in respect of such participation and such purchased portion of any other Lender's Advances shall be part of the Obligations secured by the Collateral.

2.7. Maximum Advances. The aggregate balance of Revolving Advances plus Swing Loans outstanding at any time shall not exceed the lesser of (a) the Maximum Revolving Advance Amount less the aggregate Maximum Undrawn Amount of all issued and outstanding Letters of Credit or (b) the Formula Amount.

2.8. Manner and Repayment of Advances.

(a) The Revolving Advances and Swing Loans shall be due and payable in full on the last day of the Term subject to earlier prepayment as herein provided. Notwithstanding the foregoing, all Advances shall be subject to earlier repayment upon (x) acceleration upon the occurrence of an Event of Default under this Agreement or (y) termination of this Agreement. Each payment (including each prepayment) by any Borrower on account of the principal of and interest on the Advances shall be applied, first to the outstanding Swing Loans and next, pro rata according to the applicable Revolving Commitment Percentages of Lenders, to the outstanding Revolving Advances (subject to any contrary provisions of Section 2.22).

(b) Each Borrower recognizes that the amounts evidenced by checks, notes, drafts or any other items of payment relating to and/or proceeds of Collateral may not be collectible by Agent on the date received by Agent. Agent shall conditionally credit Borrowers' Account for each item of payment on the next Business Day after the Business Day on which such item of payment is received by Agent (and the Business Day on which each such item of payment is so credited shall be referred to, with respect to such item, as the "Application Date") Agent is not, however, required to credit Borrowers' Account for the amount of any item of payment which is unsatisfactory to Agent and Agent may charge Borrowers' Account for the amount of any item of payment which is returned, for any reason whatsoever, to Agent unpaid. Subject to the foregoing, Borrowers agree that for purposes of computing the interest charges under this Agreement, each item of payment received by Agent shall be deemed applied by Agent on account of the Obligations on its respective Application Date. Borrowers further agree that there is a monthly float charge payable to Agent for Agent's sole benefit, in an amount equal to (y) the face amount of all items of payment received during the prior month (including items of payment received by Agent as a wire transfer or electronic depository check) multiplied by (z) the Revolving Interest Rate with respect to Domestic Rate Loans for one (1) Business Day. All proceeds received by Agent shall be applied to the Obligations in accordance with Section 4.8(h).

(c) All payments of principal, interest and other amounts payable hereunder, or under any of the Other Documents shall be made to Agent at the Payment Office not later than 1:00 p.m. on the due date therefor in Dollars in federal funds or other funds immediately available to Agent. Agent shall have the right to effectuate payment of any and all Obligations due and owing hereunder by charging Borrowers' Account or by making Advances as provided in Section 2.2 hereof.

(d) Except as expressly provided herein, all payments (including prepayments) to be made by any Borrower on account of principal, interest, fees and other amounts payable hereunder shall be made without deduction, setoff or counterclaim and shall be made to Agent on behalf of Lenders to the Payment Office, in each case on or prior to 1:00 p.m., in Dollars and in immediately available funds.

2.9. Repayment of Excess Advances. If at any time the aggregate balance of outstanding Revolving Advances, Swing Loans, and/or Advances taken as a whole exceeds the maximum amount of such type of Advances and/or Advances taken as a whole (as applicable) permitted hereunder, such excess Advances shall be immediately due and payable without the necessity of any demand, at the Payment Office, whether or not a Default or an Event of Default has occurred.

2.10. Statement of Account. Agent shall maintain, in accordance with its customary procedures, a loan account ("Borrowers' Account") in the name of Borrowers in which shall be recorded the date and amount of each Advance made by Agent or Lenders and the date and amount of each payment in respect thereof; provided, however, the failure by Agent to record the date and amount of any Advance shall not adversely affect Agent or any Lender. Each month, Agent shall send to Borrowing Agent a statement showing the accounting for the Advances made, payments made or credited in respect thereof, and other transactions between Agent, Lenders and Borrowers during such month. The monthly statements shall be deemed correct and binding upon Borrowers in the absence of manifest error and shall constitute an account stated between Lenders and Borrowers unless Agent receives a written statement of Borrowers' specific exceptions thereto within thirty (30) days after such statement is received by Borrowing Agent. The records of Agent with respect to Borrowers' Account shall be conclusive evidence absent manifest error of the amounts of Advances and other charges thereto and of payments applicable thereto.

2.11. Letters of Credit.

(a) Subject to the terms and conditions hereof, Issuer shall issue or cause the issuance of standby letters of credit denominated in Dollars ("Letters of Credit") for the account of any Borrower except to the extent that the issuance thereof would then cause the sum of (i) the outstanding Revolving Advances plus (ii) the outstanding Swing Loans, plus (iii) the Maximum Undrawn Amount of all outstanding Letters of Credit, plus (iv) the Maximum Undrawn Amount of the Letter of Credit to be issued to exceed the lesser of (x) the Maximum Revolving Advance Amount or (y) the Formula Amount (calculated without giving effect to the deductions provided for in Section 2.1(a)(y) (iii)). The Maximum Undrawn Amount of all outstanding Letters of Credit shall not exceed in the aggregate at any time the Letter of Credit Sublimit. All disbursements or payments related to Letters of Credit shall be deemed to be Domestic Rate Loans consisting of Revolving Advances and shall bear interest at the Revolving Interest Rate for Domestic Rate Loans. Letters of Credit that have not been drawn upon shall not bear interest (but fees shall accrue in respect of outstanding Letters of Credit as provided in Section 3.2 hereof).

(b) Notwithstanding any provision of this Agreement, Issuer shall not be under any obligation to issue any Letter of Credit if (i) any order, judgment or decree of any Governmental Body or arbitrator shall by its terms purport to enjoin or restrain Issuer from issuing any Letter of Credit, or any Law applicable to Issuer or any request or directive (whether or not having the force of law) from any Governmental Body with jurisdiction over Issuer shall prohibit, or request that Issuer refrain from, the issuance of letters of credit generally or the Letter of Credit in particular or shall impose upon Issuer with respect to the Letter of Credit any restriction, reserve or capital requirement (for which Issuer is not otherwise compensated hereunder) not in effect on the date of this Agreement, or shall impose upon Issuer any unreimbursed loss, cost or expense which was not applicable on the date of this Agreement, and which Issuer in good faith deems material to it, or (ii) the issuance of the Letter of Credit would violate one or more policies of Issuer applicable to letters of credit generally.

2.12. Issuance of Letters of Credit

(a) Borrowing Agent, on behalf of any Borrower, may request Issuer to issue or cause the issuance of a Letter of Credit by delivering to Issuer, with a copy to Agent at the Payment Office, prior to 1:00 p.m., at least five (5) Business Days prior to the proposed date of issuance, such Issuer's form of Letter of Credit Application (the "Letter of Credit Application") completed to the satisfaction of Agent and Issuer; and, such other certificates, documents and other papers and information as Agent or Issuer may reasonably request. Issuer shall not issue any requested Letter of Credit if such Issuer has received notice from Agent or any Lender that one or more of the applicable conditions set forth in Section 8.2 of this Agreement have not been satisfied or the commitments of Lenders to make Revolving Advances hereunder have been terminated for any reason.

(b) Each Letter of Credit shall, among other things, (i) provide for the payment of sight drafts, or other written demands for payment, and (ii) have an expiry date not later than twelve (12) months after such Letter of Credit's date of issuance and in no event later than the last day of the Term. Each standby Letter of Credit shall be subject either to the Uniform Customs and Practice for Documentary Credits as most recently published by the International Chamber of Commerce at the time a Letter of Credit is issued (the "UCP") or the International Standby Practices (International Chamber of Commerce Publication Number 590) (the "ISP98 Rules"), or any subsequent revision thereof at the time a standby Letter of Credit is issued, as determined by Issuer, and each trade Letter of Credit shall be subject to the UCP. In addition, no trade Letter of Credit may permit the presentation of an ocean bill of lading that includes a condition that the original bill of lading is not required to claim the goods shipped thereunder.

(c) Agent shall use its reasonable efforts to notify Lenders of the request by Borrowing Agent for a Letter of Credit hereunder.

2.13. Requirements For Issuance of Letters of Credit. Borrowing Agent shall authorize and direct any Issuer to name the applicable Borrower as the "Applicant" or "Account Party" of each Letter of Credit. If Agent is not the Issuer of any Letter of Credit, Borrowing Agent shall authorize and direct Issuer to deliver to Agent all instruments, documents, and other writings and property received by Issuer pursuant to the Letter of Credit and to accept and rely upon Agent's instructions and agreements with respect to all matters arising in connection with the Letter of Credit, the application therefor.

(a) Immediately upon the issuance of each Letter of Credit, each Lender holding a Revolving Commitment shall be deemed to, and hereby irrevocably and unconditionally agrees to, purchase from Issuer a participation in each Letter of Credit and each drawing thereunder in an amount equal to such Lender's Revolving Commitment Percentage of the Maximum Undrawn Amount of such Letter of Credit (as in effect from time to time) and the amount of such drawing, respectively.

(b) In the event of any request for a drawing under a Letter of Credit by the beneficiary or transferee thereof, Issuer will promptly notify Agent and Borrowing Agent. Regardless of whether Borrowing Agent shall have received such notice, Borrowers shall reimburse (such obligation to reimburse Issuer shall sometimes be referred to as a "Reimbursement Obligation") Issuer prior to 12:00 Noon, on each date that an amount is paid by Issuer under any Letter of Credit (each such date, a "Drawing Date") in an amount equal to the amount so paid by Issuer. In the event Borrowers fail to reimburse Issuer for the full amount of any drawing under any Letter of Credit by 12:00 Noon, on the Drawing Date, Issuer will promptly notify Agent and each Lender holding a Revolving Commitment thereof, and Borrowers shall be automatically deemed to have requested that a Revolving Advance maintained as a Domestic Rate Loan be made by Lenders to be disbursed on the Drawing Date under such Letter of Credit, and Lenders holding the Revolving Commitments shall be unconditionally obligated to fund such Revolving Advance (all whether or not the conditions specified in Section 8.2 are then satisfied or the commitments of Lenders to make Revolving Advances hereunder have been terminated for any reason) as provided for in Section 2.14(c) immediately below. Any notice given by Issuer pursuant to this Section 2.14(b) may be oral if promptly confirmed in writing; provided that the lack of such a confirmation shall not affect the conclusiveness or binding effect of such notice.

(c) Each Lender holding a Revolving Commitment shall upon any notice pursuant to Section 2.14(b) make available to Issuer through Agent at the Payment Office an amount in immediately available funds equal to its Revolving Commitment Percentage (subject to any contrary provisions of Section 2.22) of the amount of the drawing, whereupon the participating Lenders shall (subject to Section 2.14(d)) each be deemed to have made a Revolving Advance maintained as a Domestic Rate Loan to Borrowers in that amount. If any Lender holding a Revolving Commitment so notified fails to make available to Agent, for the benefit of Issuer, the amount of such Lender's Revolving Commitment Percentage of such amount by 2:00 p.m. on the Drawing Date, then interest shall accrue on such Lender's obligation to make such payment, from the Drawing Date to the date on which such Lender makes such payment (i) at a rate per annum equal to the Federal Funds Effective Rate during the first three (3) days following the Drawing Date and (ii) at a rate per annum equal to the rate applicable to Revolving Advances maintained as a Domestic Rate Loan on and after the fourth day following the Drawing Date. Agent and Issuer will promptly give notice of the occurrence of the Drawing Date, but failure of Agent or Issuer to give any such notice on the Drawing Date or in sufficient time to enable any Lender holding a Revolving Commitment to effect such payment on such date shall not relieve such Lender from its obligations under this Section 2.14(c), provided that such Lender shall not be obligated to pay interest as provided in Section 2.14(c)(i) and (ii) until and commencing from the date of receipt of notice from Agent or Issuer of a drawing.

(d) With respect to any unreimbursed drawing that is not converted into a Revolving Advance maintained as a Domestic Rate Loan to Borrowers in whole or in part as contemplated by Section 2.14(b), because of Borrowers' failure to satisfy the conditions set forth in Section 8.2 hereof (other than any notice requirements) or for any other reason, Borrowers shall be deemed to have incurred from Agent a borrowing (each a "Letter of Credit Borrowing") in the amount of such drawing. Such Letter of Credit Borrowing shall be due and payable on demand (together with interest) and shall bear interest at the rate per annum applicable to a Revolving Advance maintained as a Domestic Rate Loan. Each applicable Lender's payment to Agent pursuant to Section 2.14(c) shall be deemed to be a payment in respect of its participation in such Letter of Credit Borrowing and shall constitute a "Participation Advance" from such Lender in satisfaction of its Participation Commitment in respect of the applicable Letter of Credit under this Section 2.14.

(e) Each applicable Lender's Participation Commitment in respect of the Letters of Credit shall continue until the last to occur of any of the following events: (x) Issuer ceases to be obligated to issue or cause to be issued Letters of Credit hereunder; (y) no Letter of Credit issued or created hereunder remains outstanding and uncanceled; and (z) all Persons (other than Borrowers) have been fully reimbursed for all payments made under or relating to Letters of Credit.

2.15. Repayment of Participation Advances.

(a) Upon (and only upon) receipt by Agent for the account of Issuer of immediately available funds from Borrowers (i) in reimbursement of any payment made by Issuer or Agent under the Letter of Credit with respect to which any Lender has made a Participation Advance to Agent, or (ii) in payment of interest on such a payment made by Issuer or Agent under such a Letter of Credit, Agent will pay to each Lender holding a Revolving Commitment, in the same funds as those received by Agent, the amount of such Lender's Revolving Commitment Percentage of such funds, except Agent shall retain the amount of the Revolving Commitment Percentage of such funds of any Lender holding a Revolving Commitment that did not make a Participation Advance in respect of such payment by Agent (and, to the extent that any of the other Lender(s) holding the Revolving Commitment have funded any portion such Defaulting Lender's Participation Advance in accordance with the provisions of Section 2.22, Agent will pay over to such Non-Defaulting Lenders a pro rata portion of the funds so withheld from such Defaulting Lender).

(b) If Issuer or Agent is required at any time to return to any Borrower, or to a trustee, receiver, liquidator, custodian, or any official in any insolvency proceeding, any portion of the payments made by Borrowers to Issuer or Agent pursuant to Section 2.15(a) in reimbursement of a payment made under the Letter of Credit or interest or fee thereon, each applicable Lender shall, on demand of Agent, forthwith return to Issuer or Agent the amount of its Revolving Commitment Percentage of any amounts so returned by Issuer or Agent plus interest at the Federal Funds Effective Rate.



2.16. Documentation. Each Borrower agrees to be bound by the terms of the Letter of Credit Application and by Issuer's interpretations of any Letter of Credit issued on behalf of such Borrower and by Issuer's written regulations and customary practices relating to letters of credit, though Issuer's interpretations may be different from such Borrower's own. In the event of a conflict between the Letter of Credit Application and this Agreement, this Agreement shall govern. It is understood and agreed that, except in the case of gross negligence or willful misconduct (as determined by a court of competent jurisdiction in a final non-appealable judgment), Issuer shall not be liable for any error, negligence and/or mistakes, whether of omission or commission, in following Borrowing Agent's or any Borrower's instructions or those contained in the Letters of Credit or any modifications, amendments or supplements thereto.

2.17. Determination to Honor Drawing Request. In determining whether to honor any request for drawing under any Letter of Credit by the beneficiary thereof, Issuer shall be responsible only to determine that the documents and certificates required to be delivered under such Letter of Credit have been delivered and that they comply on their face with the requirements of such Letter of Credit and that any other drawing condition appearing on the face of such Letter of Credit has been satisfied in the manner so set forth.

2.18. Nature of Participation and Reimbursement Obligations. The obligation of each Lender holding a Revolving Commitment in accordance with this Agreement to make the Revolving Advances or Participation Advances as a result of a drawing under a Letter of Credit, and the obligations of Borrowers to reimburse Issuer upon a draw under a Letter of Credit, shall be absolute, unconditional and irrevocable, and shall be performed strictly in accordance with the terms of this Section 2.18 under all circumstances, including the following circumstances:

(i) any set-off, counterclaim, recoupment, defense or other right which such Lender or any Borrower, as the case may be, may have against Issuer, Agent, any Borrower or Lender, as the case may be, or any other Person for any reason whatsoever;

(ii) the failure of any Borrower or any other Person to comply, in connection with a Letter of Credit Borrowing, with the conditions set forth in this Agreement for the making of a Revolving Advance, it being acknowledged that such conditions are not required for the making of a Letter of Credit Borrowing and the obligation of Lenders to make Participation Advances under Section 2.14;

(iii) any lack of validity or enforceability of any Letter of Credit;

(iv) any claim of breach of warranty that might be made by any Borrower, Agent, Issuer or any Lender against the beneficiary of a Letter of Credit, or the existence of any claim, set-off, recoupment, counterclaim, cross-claim, defense or other right which any Borrower, Agent, Issuer or any Lender may have at any time against a beneficiary, any successor beneficiary or any transferee of any Letter of Credit or assignee of the proceeds thereof (or any Persons for whom any such transferee or assignee may be acting), Issuer, Agent or any Lender or any other Person, whether in connection with this Agreement, the transactions contemplated herein or any unrelated transaction (including any underlying transaction between any Borrower or any Subsidiaries of such Borrower and the beneficiary for which any Letter of Credit was procured);

(v) the lack of power or authority of any signer of (or any defect in or forgery of any signature or endorsement on) or the form of or lack of validity, sufficiency, accuracy, enforceability or genuineness of any draft, demand, instrument, certificate or other document presented under or in connection with any Letter of Credit, or any fraud or alleged fraud in connection with any Letter of Credit, or the transport of any property or provision of services relating to a Letter of Credit, in each case even if Issuer or any of Issuer's Affiliates has been notified thereof;

(vi) payment by Issuer under any Letter of Credit against presentation of a demand, draft or certificate or other document which is forged or does not fully comply with the terms of such Letter of Credit (provided that the foregoing shall not excuse Issuer from any obligation under the terms of any applicable Letter of Credit to require the presentation of documents that on their face appear to satisfy any applicable requirements for drawing under such Letter of Credit prior to honoring or paying any such draw);

(vii) the solvency of, or any acts or omissions by, any beneficiary of any Letter of Credit, or any other Person having a role in any transaction or obligation relating to a Letter of Credit, or the existence, nature, quality, quantity, condition, value or other characteristic of any property or services relating to a Letter of Credit;

(viii) any failure by Issuer or any of Issuer's Affiliates to issue any Letter of Credit in the form requested by Borrowing Agent, unless Agent and Issuer have each received written notice from Borrowing Agent of such failure within three (3) Business Days after Issuer shall have furnished Agent and Borrowing Agent a copy of such Letter of Credit and such error is material and no drawing has been made thereon prior to receipt of such notice;

(ix) the occurrence of any Material Adverse Effect;

(x) any breach of this Agreement or any Other Document by any party thereto;

(xi) the occurrence or continuance of an insolvency proceeding with respect to any Borrower or any Guarantor;

(xii) the fact that a Default or an Event of Default shall have occurred and be continuing;

(xiii) the fact that the Term shall have expired or this Agreement or the obligations of Lenders to make Advances have been terminated; and

(xiv) any other circumstance or happening whatsoever, whether or not similar to any of the foregoing.

(a) As between Borrowers and Issuer, Swing Loan Lender, Agent and Lenders, each Borrower assumes all risks of the acts and omissions of, or misuse of the Letters of Credit by, the respective beneficiaries of such Letters of Credit. In furtherance and not in limitation of the foregoing, Issuer shall not be responsible for: (i) the form, validity, sufficiency, accuracy, genuineness or legal effect of any document submitted by any party in connection with the application for an issuance of any such Letter of Credit, even if it should in fact prove to be in any or all respects invalid, insufficient, inaccurate, fraudulent or forged (even if Issuer or any of its Affiliates shall have been notified thereof); (ii) the validity or sufficiency of any instrument transferring or assigning or purporting to transfer or assign any such Letter of Credit or the rights or benefits thereunder or proceeds thereof, in whole or in part, which may prove to be invalid or ineffective for any reason; (iii) the failure of the beneficiary of any such Letter of Credit, or any other party to which such Letter of Credit may be transferred, to comply fully with any conditions required in order to draw upon such Letter of Credit or any other claim of any Borrower against any beneficiary of such Letter of Credit, or any such transferee, or any dispute between or among any Borrower and any beneficiary of any Letter of Credit or any such transferee; (iv) errors, omissions, interruptions or delays in transmission or delivery of any messages, by mail, cable, facsimile, telex or otherwise, whether or not they be in cipher; (v) errors in interpretation of technical terms; (vi) any loss or delay in the transmission or otherwise of any document required in order to make a drawing under any such Letter of Credit or of the proceeds thereof; (vii) the misapplication by the beneficiary of any such Letter of Credit of the proceeds of any drawing under such Letter of Credit; or (viii) any consequences arising from causes beyond the control of Issuer, including any Governmental Acts, and none of the above shall affect or impair, or prevent the vesting of, any of Issuer's rights or powers hereunder. Nothing in the preceding sentence shall relieve Issuer from liability for Issuer's gross negligence or willful misconduct (as determined by a court of competent jurisdiction in a final non-appealable judgment) in connection with actions or omissions described in such clauses (i) through (viii) of such sentence. In no event shall Issuer or Issuer's Affiliates be liable to any Borrower for any indirect, consequential, incidental, punitive, exemplary or special damages or expenses (including without limitation attorneys' fees), or for any damages resulting from any change in the value of any property relating to a Letter of Credit.

(b) Without limiting the generality of the foregoing, Issuer and each of its Affiliates: (i) may rely on any oral or other communication believed in good faith by Issuer or such Affiliate to have been authorized or given by or on behalf of the applicant for a Letter of Credit; (ii) may honor any presentation if the documents presented appear on their face substantially to comply with the terms and conditions of the relevant Letter of Credit; (iii) may honor a previously dishonored presentation under a Letter of Credit, whether such dishonor was pursuant to a court order, to settle or compromise any claim of wrongful dishonor, or otherwise, and shall be entitled to reimbursement to the same extent as if such presentation had initially been honored, together with any interest paid by Issuer or its Affiliates; (iv) may honor any drawing that is payable upon presentation of a statement advising negotiation or payment, upon receipt of such statement (even if such statement indicates that a draft or other document is being delivered separately), and shall not be liable for any failure of any such draft or other document to arrive, or to conform in any way with the relevant Letter of Credit; (v) may pay any paying or negotiating bank claiming that it rightfully honored under the laws or practices of the place where such bank is located; and (vi) may settle or adjust any claim or demand made on Issuer or its Affiliate in any way related to any order issued at the applicant's request to an air carrier, a letter of guarantee or of indemnity issued to a steamship agent or carrier or any document or instrument of like import (each an "Order") and honor any drawing in connection with any Letter of Credit that is the subject of such Order, notwithstanding that any drafts or other documents presented in connection with such Letter of Credit fail to conform in any way with such Letter of Credit.

(c) In furtherance and extension and not in limitation of the specific provisions set forth above, any action taken or omitted by Issuer under or in connection with the Letters of Credit issued by it or any documents and certificates delivered thereunder, if taken or omitted in good faith and without gross negligence (as determined by a court of competent jurisdiction in a final non-appealable judgment), shall not put Issuer under any resulting liability to any Borrower, Agent or any Lender.

2.20. Mandatory Prepayments.

(a) Subject to Section 7.1 hereof, when any Borrower sells or otherwise disposes of any Collateral other than Inventory in the Ordinary Course of Business, Borrowers shall repay the Advances in an amount equal to the net proceeds of such sale (i.e., gross proceeds less the reasonable direct costs of such sales or other dispositions), such repayments to be made promptly but in no event more than three (3) Business Days following receipt of such net proceeds, and until the date of payment, such proceeds shall be held in trust for Agent. The foregoing shall not be deemed to be implied consent to any such sale otherwise prohibited by the terms and conditions hereof. Such repayments shall be applied to the outstanding Advances (including cash collateralization of all Obligations relating to any outstanding Letters of Credit in accordance with the provisions of Section 3.2(b), provided however that if no Default or Event of Default has occurred and is continuing, such repayments shall be applied to cash collateralize any Obligations related to outstanding Letters of Credit last) in such order as Agent may determine, subject to Borrowers' ability to re-borrow Revolving Advances in accordance with the terms hereof.

(b) In the event of (x) any issuance or other incurrence of Indebtedness (other than Indebtedness described in the definition of Permitted Indebtedness) by Borrowers, (y) the issuance of any Equity Interests by any Borrower, or (z) the receipt by any Borrower of the proceeds of any grant, Borrowers shall, no later than three (3) Business Days after the receipt by Borrowers of (i) the cash proceeds from any such issuance or incurrence of Indebtedness, (ii) the net cash proceeds of any issuance of Equity Interests, or (iii) the cash proceeds of any such grants, as applicable, repay the Advances in an amount equal to (x) one hundred percent (100%) of such cash proceeds in the case of such incurrence or issuance of Indebtedness, (y) one hundred percent (100%) of such net cash proceeds in the case of an issuance of Equity Interests, and (z) one hundred percent (100%) of such cash proceeds in the case of receipt of proceeds of grants. Such repayments will be applied in the same manner as set forth in Section 2.20(b) hereof. The foregoing requirements regarding proceeds of grants shall not apply to the extent that they would require Borrowers to violate the terms of any grant agreement restricting the use of proceeds of such grant.

(c) All proceeds received by Borrowers or Agent (i) under any insurance policy on account of damage or destruction of any assets or property of any Borrowers, or (ii) as a result of any taking or condemnation of any assets or property shall be applied in accordance with Section 6.6 hereof.

2.21. Use of Proceeds.

(a) Borrowers shall apply the proceeds of Advances to (i) repay existing indebtedness owed to Capital Source Bank, (ii) pay fees and expenses relating to this transaction, (iii) partially fund capital expenditures, and (iv) provide for its working capital needs and reimburse drawings under Letters of Credit.

(b) Without limiting the generality of Section 2.21(a) above, neither the Borrowers, the Guarantors nor any other Person which may in the future become party to this Agreement or the Other Documents as a Borrower or Guarantor, intends to use nor shall they use any portion of the proceeds of the Advances, directly or indirectly, for any purpose in violation of Applicable Law.

2.22. Defaulting Lender.

(a) Notwithstanding anything to the contrary contained herein, in the event any Lender is a Defaulting Lender, all rights and obligations hereunder of such Defaulting Lender and of the other parties hereto shall be modified to the extent of the express provisions of this Section 2.22 so long as such Lender is a Defaulting Lender.

(b) (i) except as otherwise expressly provided for in this Section 2.22, Revolving Advances shall be made pro rata from Lenders holding Revolving Commitments which are not Defaulting Lenders based on their respective Revolving Commitment Percentages, and no Revolving Commitment Percentage of any Lender or any pro rata share of any Revolving Advances required to be advanced by any Lender shall be increased as a result of any Lender being a Defaulting Lender. Amounts received in respect of principal of any type of Revolving Advances shall be applied to reduce such type of Revolving Advances of each Lender (other than any Defaulting Lender) holding a Revolving Commitment in accordance with their Revolving Commitment Percentages; provided, that, Agent shall not be obligated to transfer to a Defaulting Lender any payments received by Agent for Defaulting Lender's benefit, nor shall a Defaulting Lender be entitled to the sharing of any payments hereunder (including any principal, interest or fees). Amounts payable to a Defaulting Lender shall instead be paid to or retained by Agent. Agent may hold and, in its discretion, re-lend to a Borrower the amount of such payments received or retained by it for the account of such Defaulting Lender.

(ii) fees pursuant to Section 3.3(b) hereof shall cease to accrue in favor of such Defaulting Lender.

(iii) if any Swing Loans are outstanding or any Letters of Credit (or drawings under any Letter of Credit for which Issuer has not been reimbursed) are outstanding or exist at the time any such Lender holding a Revolving Commitment becomes a Defaulting Lender, then:

(A) Defaulting Lender's Participation Commitment in the outstanding Swing Loans and of the Maximum Undrawn Amount of all outstanding Letters of Credit shall be reallocated among Non-Defaulting Lenders holding Revolving Commitments in proportion to the respective Revolving Commitment Percentages of such Non-Defaulting Lenders to the extent (but only to the extent) that (x) such reallocation does not cause the aggregate sum of outstanding Revolving Advances made by any such Non-Defaulting Lender holding a Revolving Commitment plus such Lender's reallocated Participation Commitment in the outstanding Swing Loans plus such Lender's reallocated Participation Commitment in the aggregate Maximum Undrawn Amount of all outstanding Letters of Credit to exceed the Revolving Commitment Amount of any such Non-Defaulting Lender, and (y) no Default or Event of Default has occurred and is continuing at such time;

(B) if the reallocation described in clause (A) above cannot, or can only partially, be effected, Borrowers shall within one Business Day following notice by Agent (x) first, prepay any outstanding Swing Loans that cannot be reallocated, and (y) second, cash collateralize for the benefit of Issuer, Borrowers' obligations corresponding to such Defaulting Lender's Participation Commitment in the Maximum Undrawn Amount of all Letters of Credit (after giving effect to any partial reallocation pursuant to clause (A) above) in accordance with Section 3.2(b) for so long as such Obligations are outstanding;

(C) if Borrowers cash collateralize any portion of such Defaulting Lender's Participation Commitment in the Maximum Undrawn Amount of all Letters of Credit pursuant to clause (B) above, Borrowers shall not be required to pay any fees to such Defaulting Lender pursuant to Section 3.2(a) with respect to such Defaulting Lender's Revolving Commitment Percentage of Maximum Undrawn Amount of all Letters of Credit during the period such Defaulting Lender's Participation Commitment in the Maximum Undrawn Amount of all Letters of Credit are cash collateralized;

(D) if Defaulting Lender's Participation Commitment in the Maximum Undrawn Amount of all Letters of Credit is reallocated pursuant to clause (A) above, then the fees payable to Lenders holding Revolving Commitments pursuant to Section 3.2(a) shall be adjusted and reallocated to Non-Defaulting Lenders holding Revolving Commitments in accordance with such reallocation; and

(E) if all or any portion of such Defaulting Lender's Participation Commitment in the Maximum Undrawn Amount of all Letters of Credit is neither reallocated nor cash collateralized pursuant to clauses (A) or (B) above, then, without prejudice to any rights or remedies of Issuer or any other Lender hereunder, all Letter of Credit Fees payable under Section 3.2(a) with respect to such Defaulting Lender's Revolving Commitment Percentage of the Maximum Undrawn Amount of all Letters of Credit shall be payable to the Issuer (and not to such Defaulting Lender) until (and then only to the extent that) such Participation Commitment in the Maximum Undrawn Amount of all Letters of Credit is reallocated and/or cash collateralized; and

(F) so long as any Lender holding a Revolving Commitment is a Defaulting Lender, Swing Loan Lender shall not be required to fund any Swing Loans and Issuer shall not be required to issue, amend or increase any Letter of Credit, unless such Issuer is satisfied that the related exposure and Defaulting Lender's Participation Commitment in the Maximum Undrawn Amount of all Letters of Credit and all Swing Loans (after giving effect to any such issuance, amendment, increase or funding) will be fully allocated to Non-Defaulting Lenders holding Revolving Commitments and/or cash collateral for such Letters of Credit will be provided by Borrowers in accordance with clause (A) and (B) above, and participating interests in any newly made Swing Loan or any newly issued or increased Letter of Credit shall be allocated among Non-Defaulting Lenders in a manner consistent with Section 2.22(b)(iii)(A) above (and such Defaulting Lender shall not participate therein).

(c) A Defaulting Lender shall not be entitled to give instructions to Agent or to approve, disapprove, consent to or vote on any matters relating to this Agreement and the Other Documents, and all amendments, waivers and other modifications of this Agreement and the Other Documents may be made without regard to a Defaulting Lender and, for purposes of the definition of "Required Lenders", a Defaulting Lender shall not be deemed to be a Lender, to have any outstanding Advances or a Revolving Commitment Percentage.

(d) Other than as expressly set forth in this Section 2.22, the rights and obligations of a Defaulting Lender (including the obligation to indemnify Agent) and the other parties hereto shall remain unchanged. Nothing in this Section 2.22 shall be deemed to release any Defaulting Lender from its obligations under this Agreement and the Other Documents, shall alter such obligations, shall operate as a waiver of any default by such Defaulting Lender hereunder, or shall prejudice any rights which any Borrower, Agent or any Lender may have against any Defaulting Lender as a result of any default by such Defaulting Lender hereunder.

(e) In the event that Agent, Borrowers, Swing Loan Lender and Issuer agree in writing that a Defaulting Lender has adequately remedied all matters that caused such Lender to be a Defaulting Lender, then Agent will so notify the parties hereto, and, if such cured Defaulting Lender is a Lender holding a Revolving Commitment, then Participation Commitments of Lenders holding Revolving Commitments (including such cured Defaulting Lender) of the Swing Loans and Maximum Undrawn Amount of all outstanding Letters of Credit shall be reallocated to reflect the inclusion of such Lender's Revolving Commitment, and on such date such Lender shall purchase at par such of the Revolving Advances of the other Lenders as Agent shall determine may be necessary in order for such Lender to hold such Revolving Advances in accordance with its Revolving Commitment Percentage.

(f) If Swing Loan Lender or Issuer has a good faith belief that any Lender holding a Revolving Commitment has defaulted in fulfilling its obligations under one or more other agreements in which such Lender commits to extend credit, Swing Loan Lender shall not be required to fund any Swing Loans and Issuer shall not be required to issue, amend or increase any Letter of Credit, unless Swing Loan Lender or Issuer, as the case may be, shall have entered into arrangements with Borrowers or such Lender, satisfactory to Swing Loan Lender or Issuer, as the case may be, to defease any risk to it in respect of such Lender hereunder.

2.23. Payment of Obligations. Agent may charge to Borrowers' Account as a Revolving Advance or, at the discretion of Swing Loan Lender, as a Swing Loan (i) all payments with respect to any of the Obligations required hereunder (including without limitation principal payments, payments of interest, payments of Letter of Credit Fees and all other fees provided for hereunder and payments under Sections 16.5 and 16.9) as and when each such payment shall become due and payable (whether as regularly scheduled, upon or after acceleration, upon maturity or otherwise), (ii) without limiting the generality of the foregoing clause (i), (a) all amounts expended by Agent or any Lender pursuant to Sections 4.2 or 4.3 hereof and (b) all expenses which Agent incurs in connection with the forwarding of Advance proceeds and the establishment and maintenance of any Blocked Accounts or Depository Accounts as provided for in Section 4.8(h), and (iii) any sums expended by Agent or any Lender due to any Borrower's failure to perform or comply with its obligations under this Agreement or any Other Document including any Borrower's obligations under Sections 3.3, 3.4, 4.4, 4.7, 6.4, 6.6, 6.7 and 6.8 hereof, and all amounts so charged shall be added to the Obligations and shall be secured by the Collateral. To the extent Revolving Advances are not actually funded by the other Lenders in respect of any such amounts so charged, all such amounts so charged shall be deemed to be Revolving Advances made by and owing to Agent and Agent shall be entitled to all rights (including accrual of interest) and remedies of a Lender under this Agreement and the Other Documents with respect to such Revolving Advances.

3.1. **Interest.** Interest on Advances shall be payable in arrears on the first day of each month with respect to Domestic Rate Loans and, with respect to LIBOR Rate Loans, at the end of each Interest Period, provided further that all accrued and unpaid interest shall be due and payable at the end of the Term. Interest charges shall be computed on the actual principal amount of Advances outstanding during the month at a rate per annum equal to (i) with respect to Revolving Advances, the applicable Revolving Interest Rate, and (ii) with respect to Swing Loans, the Revolving Interest Rate for Domestic Rate Loans (as applicable, the "Contract Rate"). Except as expressly provided otherwise in this Agreement, any Obligations other than the Advances that are not paid when due shall accrue interest at the Revolving Interest Rate for Domestic Rate Loans, subject to the provision of the final sentence of this Section 3.1 regarding the Default Rate. Whenever, subsequent to the date of this Agreement, the Alternate Base Rate is increased or decreased, the applicable Contract Rate shall be similarly changed without notice or demand of any kind by an amount equal to the amount of such change in the Alternate Base Rate during the time such change or changes remain in effect. The LIBOR Rate shall be adjusted with respect to LIBOR Rate Loans without notice or demand of any kind on the effective date of any change in the Reserve Percentage as of such effective date. Upon and after the occurrence of an Event of Default, and during the continuation thereof, at the option of Agent or at the direction of Required Lenders (or, in the case of any Event of Default under Section 10.7, immediately and automatically upon the occurrence of any such Event of Default without the requirement of any affirmative action by any party), (i) the Obligations other than LIBOR Rate Loans shall bear interest at the applicable Contract Rate for Domestic Rate Loans plus two percent (2%) per annum and (ii) LIBOR Rate Loans shall bear interest at the Revolving Interest Rate for LIBOR Rate Loans plus two percent (2%) per annum (as applicable, the "Default Rate").

3.2. **Letter of Credit Fees.**

(a) Borrowers shall pay (x) to Agent, for the ratable benefit of Lenders holding Revolving Commitments, fees for each Letter of Credit for the period from and excluding the date of issuance of same to and including the date of expiration or termination, equal to the average daily face amount of each outstanding Letter of Credit multiplied by the Applicable Margin for Revolving Advances consisting of LIBOR Rate Loans, such fees to be calculated on the basis of a 360-day year for the actual number of days elapsed and to be payable quarterly in arrears on the first day of each calendar quarter and on the last day of the Term, and (y) to Issuer, a fronting fee of one quarter of one percent (0.25%) per annum times the average daily face amount of each outstanding Letter of Credit for the period from and excluding the date of issuance of same to and including the date of expiration or termination, to be payable quarterly in arrears on the first day of each calendar quarter and on the last day of the Term (all of the foregoing fees, the "Letter of Credit Fees"). In addition, Borrowers shall pay to Agent, for the benefit of Issuer, any and all administrative, issuance, amendment, payment and negotiation charges with respect to Letters of Credit and all fees and expenses as agreed upon by Issuer and the Borrowing Agent in connection with any Letter of Credit, including in connection with the opening, amendment or renewal of any such Letter of Credit and any acceptances created thereunder, all such charges, fees and expenses, if any, to be payable on demand. All such charges shall be deemed earned in full on the date when the same are due and payable hereunder and shall not be subject to rebate or pro-ration upon the termination of this Agreement for any reason. Any such charge in effect at the time of a particular transaction shall be the charge for that transaction, notwithstanding any subsequent change in Issuer's prevailing charges for that type of transaction. Upon and after the occurrence of an Event of Default, and during the continuation thereof, at the option of Agent or at the direction of Required Lenders (or, in the case of any Event of Default under Section 10.7, immediately and automatically upon the occurrence of any such Event of Default without the requirement of any affirmative action by any party), the Letter of Credit Fees described in clause (x) of this Section 3.2(a) shall be increased by an additional two percent (2.0%) per annum.



(b) At any time following the occurrence of an Event of Default, at the option of Agent or at the direction of Required Lenders (or, in the case of any Event of Default under Section 10.7, immediately and automatically upon the occurrence of such Event of Default, without the requirement of any affirmative action by any party), or upon the expiration of the Term or any other termination of this Agreement (and also, if applicable, in connection with any mandatory prepayment under Section 2.20), Borrowers will cause cash to be deposited and maintained in an account with Agent, as cash collateral, in an amount equal to one hundred and five percent (105%) of the Maximum Undrawn Amount of all outstanding Letters of Credit, and each Borrower hereby irrevocably authorizes Agent, in its discretion, on such Borrower's behalf and in such Borrower's name, to open such an account and to make and maintain deposits therein, or in an account opened by such Borrower, in the amounts required to be made by such Borrower, out of the proceeds of Receivables or other Collateral or out of any other funds of such Borrower coming into any Lender's possession at any time. Agent may, in its discretion, invest such cash collateral (less applicable reserves) in such short-term money-market items as to which Agent and such Borrower mutually agree (or, in the absence of such agreement, as Agent may reasonably select) and the net return on such investments shall be credited to such account and constitute additional cash collateral, or Agent may (notwithstanding the foregoing) establish the account provided for under this Section 3.2(b) as a non-interest bearing account and in such case Agent shall have no obligation (and Borrowers hereby waive any claim) under Article 9 of the Uniform Commercial Code or under any other Applicable Law to pay interest on such cash collateral being held by Agent. No Borrower may withdraw amounts credited to any such account except upon the occurrence of all of the following: (x) payment and performance in full of all Obligations; (y) expiration of all Letters of Credit; and (z) termination of this Agreement. Borrowers hereby assign, pledge and grant to Agent, for its benefit and the ratable benefit of Issuer, Lenders and each other Secured Party, a continuing security interest in and to and Lien on any such cash collateral and any right, title and interest of Borrowers in any deposit account, securities account or investment account into which such cash collateral may be deposited from time to time to secure the Obligations, specifically including all Obligations with respect to any Letters of Credit. Borrowers agree that upon the coming due of any Reimbursement Obligations (or any other Obligations, including Obligations for Letter of Credit Fees) with respect to the Letters of Credit, Agent may use such cash collateral to pay and satisfy such Obligations.

3.3. Closing Fee and Facility Fee.

(a) Upon the execution of this Agreement, Borrowers shall pay to Agent for Agent's sole benefit and account a closing fee of \$175,000 less that portion of the deposit of \$40,000 heretofore paid by Borrowers to Agent remaining after application of such fees to out of pocket costs and expenses.

(b) If, for any calendar quarter during the Term, the average daily unpaid balance of the sum of Revolving Advances plus Swing Loans plus the Maximum Undrawn Amount of all outstanding Letters of Credit for each day of such calendar quarter does not equal the Maximum Revolving Advance Amount, then Borrowers shall pay to Agent, for the ratable benefit of Lenders holding the Revolving Commitments based on their Revolving Commitment Percentages, a fee at a rate equal to one quarter of one percent (0.25%) per annum on the amount by which the Maximum Revolving Advance Amount exceeds such average daily unpaid balance (the "Facility Fee"). Such Facility Fee shall be payable to Agent in arrears on the first day of each calendar quarter with respect to the previous calendar quarter.

3.4. Collateral Monitoring Fee and Collateral Evaluation Fee.

(a) Borrowers shall pay Agent a collateral monitoring fee equal to \$2,000 per month commencing on the first day of the month following the Closing Date and on the first day of each month thereafter during the Term. The collateral monitoring fee shall be deemed earned in full on the date when same is due and payable hereunder and shall not be subject to rebate or proration upon termination of this Agreement for any reason.

(b) Borrowers shall pay to Agent promptly at the conclusion of any collateral evaluation performed by or for the benefit of Agent - namely any field examination, collateral analysis or other business analysis permitted under Section 4.6, the need for which is to be determined by Agent and which evaluation is undertaken by Agent or for Agent's benefit - a collateral evaluation fee in an amount equal to \$850 (or such other amount customarily charged by Agent to its customers) per day for each person employed to perform such evaluation, plus a per examination manager review fee (whether such examination is performed by Agent's employees or by a third party retained by agent) in the amount of \$1,300 (or such other amount customarily charged by Agent to its customers), plus all reasonable costs and disbursements incurred by Agent in the performance of such examination or analysis, and further provided that if third parties are retained to perform such collateral evaluations, either at the request of another Lender or for extenuating reasons determined by Agent in its Permitted Discretion, then such fees charged by such third parties plus all costs and disbursements incurred by such third party, shall be the responsibility of Borrower and shall not be subject to the foregoing limits, provided that all such fees, costs and disbursements shall be reasonable and further provided that such third party collateral evaluations shall not be duplicative of evaluations otherwise performed by Agent hereunder. So long as no Event of Default has occurred and is continuing, the Borrower shall only be required to bear the cost of and reimburse Agent and the Lenders for the costs and expenses of four (4) such collective visits and examinations per fiscal year by Agent and each Lender that wishes to accompany Agent on such visit and examination.

3.5. Computation of Interest and Fees. Interest and fees hereunder shall be computed on the basis of a year of 360 days and for the actual number of days elapsed. If any payment to be made hereunder becomes due and payable on a day other than a Business Day, the due date thereof shall be extended to the next succeeding Business Day and interest thereon shall be payable at the applicable Contract Rate during such extension.

3.6. Maximum Charges. In no event whatsoever shall interest and other charges charged hereunder exceed the highest rate permissible under Applicable Law. In the event interest and other charges as computed hereunder would otherwise exceed the highest rate permitted under Applicable Law: (i) the interest rates hereunder will be reduced to the maximum rate permitted under Applicable Law; (ii) such excess amount shall be first applied to any unpaid principal balance owed by Borrowers; and (iii) if the then remaining excess amount is greater than the previously unpaid principal balance, Lenders shall promptly refund such excess amount to Borrowers and the provisions hereof shall be deemed amended to provide for such permissible rate.

3.7. Increased Costs. In the event that any Applicable Law or any Change in Law or compliance by any Lender (for purposes of this Section 3.7, the term "Lender" shall include Agent, Swing Loan Lender, any Issuer or Lender and any corporation or bank controlling Agent, Swing Loan Lender, any Lender or Issuer and the office or branch where Agent, Swing Loan Lender, any Lender or Issuer (as so defined) makes or maintains any LIBOR Rate Loans) with any request or directive (whether or not having the force of law) from any central bank or other financial, monetary or other authority, shall:

(a) subject Agent, Swing Loan Lender, any Lender or Issuer to any tax of any kind whatsoever with respect to this Agreement, any Letter of Credit, any participation in a Letter of Credit or any LIBOR Rate Loan, or change the basis of taxation of payments to Agent, Swing Loan Lender, such Lender or Issuer in respect thereof (except for Indemnified Taxes or Other Taxes covered by Section 3.10 and the imposition of, or any change in the rate of, any Excluded Tax payable by Agent, Swing Loan Lender, such Lender or the Issuer);

(b) impose, modify or deem applicable any reserve, special deposit, assessment, special deposit, compulsory loan, insurance charge or similar requirement against assets held by, or deposits in or for the account of, advances or loans by, or other credit extended by, any office of Agent, Swing Loan Lender, Issuer or any Lender, including pursuant to Regulation D of the Board of Governors of the Federal Reserve System; or

(c) impose on Agent, Swing Loan Lender, any Lender or Issuer or the London interbank LIBOR market any other condition, loss or expense (other than Taxes) affecting this Agreement or any Other Document or any Advance made by any Lender, or any Letter of Credit or participation therein;

and the result of any of the foregoing is to increase the cost to Agent, Swing Loan Lender, any Lender or Issuer of making, converting to, continuing, renewing or maintaining its Advances hereunder by an amount that Agent, Swing Loan Lender, such Lender or Issuer deems to be material or to reduce the amount of any payment (whether of principal, interest or otherwise) in respect of any of the Advances by an amount that Agent, Swing Loan Lender or such Lender or Issuer deems to be material, then, in any case Borrowers shall promptly pay Agent, Swing Loan Lender, such Lender or Issuer, upon its demand, such additional amount as will compensate Agent, Swing Loan Lender or such Lender or Issuer for such additional cost or such reduction, as the case may be, provided that the foregoing shall not apply to increased costs which are reflected in the LIBOR Rate, as the case may be. Agent, Swing Loan Lender, such Lender or Issuer shall certify the amount of such additional cost or reduced amount to Borrowing Agent, and such certification shall be conclusive absent manifest error.

3.8. Basis For Determining Interest Rate Inadequate or Unfair. In the event that Agent or any Lender shall have determined that:

(a) reasonable means do not exist for ascertaining the LIBOR Rate applicable pursuant to Section 2.2 hereof for any Interest Period; or

(b) Dollar deposits in the relevant amount and for the relevant maturity are not available in the London interbank LIBOR market, with respect to an outstanding LIBOR Rate Loan, a proposed LIBOR Rate Loan, or a proposed conversion of a Domestic Rate Loan into a LIBOR Rate Loan; or

(c) the making, maintenance or funding of any LIBOR Rate Loan has been made impracticable or unlawful by compliance by Agent or such Lender in good faith with any Applicable Law or any interpretation or application thereof by any Governmental Body or with any request or directive of any such Governmental Body (whether or not having the force of law),

then Agent shall give Borrowing Agent prompt written or telephonic notice of such determination. If such notice is given, (i) any such requested LIBOR Rate Loan shall be made as a Domestic Rate Loan, unless Borrowing Agent shall notify Agent no later than 1:00 p.m. two

(2) Business Days prior to the date of such proposed borrowing, that its request for such borrowing shall be cancelled or made as an unaffected type of LIBOR Rate Loan, (ii) any Domestic Rate Loan or LIBOR Rate Loan which was to have been converted to an affected type of LIBOR Rate Loan shall be continued as or converted into a Domestic Rate Loan, or, if Borrowing Agent shall notify Agent, no later than 1:00 p.m. two (2) Business Days prior to the proposed conversion, shall be maintained as an unaffected type of LIBOR Rate Loan, and (iii) any outstanding affected LIBOR Rate Loans shall be converted into a Domestic Rate Loan, or, if Borrowing Agent shall notify Agent, no later than 1:00 p.m. two (2) Business Days prior to the last Business Day of the then current Interest Period applicable to such affected LIBOR Rate Loan, shall be converted into an unaffected type of LIBOR Rate Loan, on the last Business Day of the then current Interest Period for such affected LIBOR Rate Loans (or sooner, if any Lender cannot continue to lawfully maintain such affected LIBOR Rate Loan). Until such notice has been withdrawn, Lenders shall have no obligation to make an affected type of LIBOR Rate Loan or maintain outstanding affected LIBOR Rate Loans and no Borrower shall have the right to convert a Domestic Rate Loan or an unaffected type of LIBOR Rate Loan into an affected type of LIBOR Rate Loan.

3.9. Capital Adequacy.

(a) In the event that Agent, Swing Loan Lender or any Lender shall have determined that any Applicable Law or guideline regarding capital adequacy, or any Change in Law or any change in the interpretation or administration thereof by any Governmental Body, central bank or comparable agency charged with the interpretation or administration thereof, or compliance by Agent, Swing Loan Lender, Issuer or any Lender (for purposes of this Section 3.9, the term "Lender" shall include Agent, Swing Loan Lender, Issuer or any Lender and any corporation or bank controlling Agent, Swing Loan Lender or any Lender and the office or branch where Agent, Swing Loan Lender or any Lender (as so defined) makes or maintains any LIBOR Rate Loans) with any request or directive regarding capital adequacy (whether or not having the force of law) of any such authority, central bank or comparable agency, has or would have the effect of reducing the rate of return on Agent, Swing Loan Lender or any Lender's capital as a consequence of its obligations hereunder (including the making of any Swing Loans) to a level below that which Agent, Swing Loan Lender or such Lender could have achieved but for such adoption, change or compliance (taking into consideration Agent's, Swing Loan Lender's and each Lender's policies with respect to capital adequacy) by an amount deemed by Agent, Swing Loan Lender or any Lender to be material, then, from time to time, Borrowers shall pay upon demand to Agent, Swing Loan Lender or such Lender such additional amount or amounts as will compensate Agent, Swing Loan Lender or such Lender for such reduction. In determining such amount or amounts, Agent, Swing Loan Lender or such Lender may use any reasonable averaging or attribution methods. The protection of this Section 3.9 shall be available to Agent, Swing Loan Lender and each Lender regardless of any possible contention of invalidity or inapplicability with respect to the Applicable Law, rule, regulation, guideline or condition.

(b) A certificate of Agent, Swing Loan Lender or such Lender setting forth such amount or amounts as shall be necessary to compensate Agent, Swing Loan Lender or such Lender with respect to Section 3.9(a) hereof when delivered to Borrowing Agent shall be conclusive absent manifest error.

3.10. Taxes.

(a) Any and all payments by or on account of any Obligations hereunder or under any Other Document shall be made free and clear of and without reduction or withholding for any Indemnified Taxes or Other Taxes; provided that if Borrowers shall be required by Applicable Law to deduct any Indemnified Taxes (including any Other Taxes) from such payments, then (i) the sum payable shall be increased as necessary so that after making all required deductions (including deductions applicable to additional sums payable under this Section) Agent, Swing Loan Lender, Lender, Issuer or Participant, as the case may be, receives an amount equal to the sum it would have received had no such deductions been made, (ii) Borrowers shall make such deductions and (iii) Borrowers shall timely pay the full amount deducted to the relevant Governmental Body in accordance with Applicable Law.

Law. (b) Without limiting the provisions of Section 3.10(a) above, Borrowers shall timely pay (except as shall be Properly Contested) any Other Taxes to the relevant Governmental Body in accordance with Applicable

(c) Each Borrower shall indemnify Agent, Swing Loan Lender, each Lender, Issuer and any Participant, within ten (10) days after demand therefor, for the full amount of any Indemnified Taxes or Other Taxes (including Indemnified Taxes or Other Taxes imposed or asserted on or attributable to amounts payable under this Section) paid by Agent, Swing Loan Lender, such Lender, Issuer, or such Participant, as the case may be, and any penalties, interest and reasonable expenses arising therefrom or with respect thereto. A certificate as to the amount of such payment or liability delivered to Borrowers by any Lender, Swing Loan Lender, Participant, or Issuer (with a copy to Agent), or by Agent on its own behalf or on behalf of Swing Loan Lender, a Lender or Issuer, shall be conclusive absent manifest error.

(d) As soon as practicable after any payment of Indemnified Taxes or Other Taxes by any Borrower to a Governmental Body, Borrowers shall deliver to Agent the original or a certified copy of a receipt issued by such Governmental Body evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to Agent.

(e) Any Foreign Lender that is entitled to an exemption from or reduction of withholding tax under the law of the jurisdiction in which any Borrower is resident for tax purposes, or under any treaty to which such jurisdiction is a party, with respect to payments hereunder or under any Other Document shall deliver to Borrowers (with a copy to Agent), at the time or times prescribed by Applicable Law or reasonably requested by Borrowers or Agent, such properly completed and executed documentation prescribed by Applicable Law as will permit such payments to be made without withholding or at a reduced rate of withholding. Notwithstanding the submission of such documentation claiming a reduced rate of or exemption from U.S. withholding tax, Agent shall be entitled to withhold United States federal income taxes at the full 30% withholding rate if in its reasonable judgment it is required to do so under the due diligence requirements imposed upon a withholding agent under § 1.1441-7(b) of the United States Income Tax Regulations or other Applicable Law. Further, Agent is indemnified under § 1.1461-1(e) of the United States Income Tax Regulations against any claims and demands of any Lender, Issuer or assignee or participant of a Lender or Issuer for the amount of any tax it deducts and withholds in accordance with regulations under § 1441 of the Code. In addition, any Lender, if requested by Borrowers or Agent, shall deliver such other documentation prescribed by Applicable Law or reasonably requested by the Borrowers or Agent as will enable Borrowers or Agent to determine whether or not such Lender is subject to backup withholding or information reporting requirements. Without limiting the generality of the foregoing, in the event that any Borrower is resident for tax purposes in the United States of America, any Foreign Lender (or other Lender) shall deliver to Borrowers and Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender (or other Lender) becomes a Lender under this Agreement (and from time to time thereafter upon the request of Borrowers or Agent, but only if such Foreign Lender (or other Lender) is legally entitled to do so), whichever of the following is applicable: two (2) duly completed valid originals of IRS Form W-8BEN claiming eligibility for benefits of an income tax treaty to which the United States of America is a party,

(i) two (2) duly completed valid originals of IRS Form W-8ECL,

(ii) in the case of a Foreign Lender claiming the benefits of the exemption for portfolio interest under section 881(c) of the Code, (x) a certificate to the effect that such Foreign Lender is not (A) a "bank" within the meaning of section 881(c)(3)(A) of the Code, (B) a "10 percent shareholder" of Borrowers within the meaning of section 881(c)(3)(B) of the Code, or (C) a "controlled foreign corporation" described in section 881(c)(3)(C) of the Code and (y) two duly completed valid originals of IRS Form W-8BEN,

(iii) any other form prescribed by Applicable Law as a basis for claiming exemption from or a reduction in United States Federal withholding tax duly completed together with such supplementary documentation as may be prescribed by Applicable Law to permit the Borrowers to determine the withholding or deduction required to be made, or

(iv) To the extent that any Lender is not a Foreign Lender, such Lender shall submit to Agent two (2) originals of an IRS Form W-9 or any other form prescribed by Applicable Law demonstrating that such Lender is not a Foreign Lender.

(f) If a payment made to a Lender, Swing Loan Lender, Participant, Issuer, or Agent under this Agreement or any Other Document would be subject to U.S. Federal withholding Tax imposed by FATCA if such Person fails to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Code, as applicable), such Lender, Swing Loan Lender, Participant, Issuer, or Agent shall deliver to the Agent (in the case of Swing Loan Lender, a Lender, Participant or Issuer) and Borrowers (A) a certification signed by the chief financial officer, principal accounting officer, treasurer or controller of such Person, and (B) other documentation reasonably requested by Agent or any Borrower sufficient for Agent and Borrowers to comply with their obligations under FATCA and to determine that Swing Loan Lender, such Lender, Participant, Issuer, or Agent has complied with such applicable reporting requirements.

3.11. **Replacement of Lenders.** If any Lender (an "Affected Lender") (a) makes demand upon Borrowers for (or if Borrowers are otherwise required to pay) amounts pursuant to Section 3.7 or 3.9 hereof, (b) is unable to make or maintain LIBOR Rate Loans as a result of a condition described in Section 2.2(h) hereof, (c) is a Defaulting Lender, or (d) denies any consent requested by the Agent pursuant to Section 16.2(b) hereof, Borrowers may, within ninety (90) days of receipt of such demand, notice (or the occurrence of such other event causing Borrowers to be required to pay such compensation or causing Section 2.2(h) hereof to be applicable), or such Lender becoming a Defaulting Lender or denial of a request by Agent pursuant to Section 16.2(b) hereof, as the case may be, by notice in writing to the Agent and such Affected Lender (i) request the Affected Lender to cooperate with Borrowers in obtaining a replacement Lender satisfactory to Agent and Borrowers (the "Replacement Lender"); (ii) request the non-Affected Lenders to acquire and assume all of the Affected Lender's Advances and its Revolving Commitment Percentage, as provided herein, but none of such Lenders shall be under any obligation to do so; or (iii) propose a Replacement Lender subject to approval by Agent in its good faith business judgment. If any satisfactory Replacement Lender shall be obtained, and/or if any one or more of the non-Affected Lenders shall agree to acquire and assume all of the Affected Lender's Advances and its Revolving Commitment Percentage, then such Affected Lender shall assign, in accordance with Section 16.3 hereof, all of its Advances and its Revolving Commitment Percentage, and other rights and obligations under this Loan Agreement and the Other Documents to such Replacement Lender or non-Affected Lenders, as the case may be, in exchange for payment of the principal amount so assigned and all interest and fees accrued on the amount so assigned, plus all other Obligations then due and payable to the Affected Lender.

4.1. Security Interest in the Collateral. To secure the prompt payment and performance to Agent, Issuer and each Lender (and each other holder of any Obligations) of the Obligations, each Borrower hereby assigns, pledges and grants to Agent for its benefit and for the ratable benefit of each Lender, Issuer and each other Secured Party, a continuing security interest in and to and Lien on all of its Collateral, whether now owned or existing or hereafter created, acquired or arising and wheresoever located. Each Borrower shall mark its books and records as may be necessary or appropriate to evidence, protect and perfect Agent's security interest and shall cause its financial statements to reflect such security interest. Each Borrower shall provide Agent with written notice of all commercial tort claims promptly upon the occurrence of any events giving rise to any such claim(s) (regardless of whether legal proceedings have yet been commenced), such notice to contain a brief description of the claim(s), the events out of which such claim(s) arose and the parties against which such claims may be asserted and, if applicable in any case where legal proceedings regarding such claim(s) have been commenced, the case title together with the applicable court and docket number. Upon delivery of each such notice, such Borrower shall be deemed to thereby grant to Agent a security interest and lien in and to such commercial tort claims described therein and all proceeds thereof. Each Borrower shall provide Agent with written notice promptly upon becoming the beneficiary under any letter of credit or otherwise obtaining any right, title or interest in any letter of credit rights, and at Agent's request shall take such actions as Agent may reasonably request for the perfection of Agent's security interest therein.

4.2. Perfection of Security Interest. Each Borrower shall take all commercially reasonable action that may be necessary or desirable, or that Agent may reasonably request, so as at all times to maintain the validity, perfection, enforceability and priority of Agent's security interest in and Lien on the Collateral or to enable Agent to protect, exercise or enforce its rights hereunder and in the Collateral, including, but not limited to, (i) promptly discharging all Liens other than Permitted Encumbrances, (ii) obtaining Lien Waiver Agreements, (iii) delivering to Agent, endorsed or accompanied by such instruments of assignment as Agent may specify, and stamping or marking, in such manner as Agent may specify, any and all chattel paper, instruments, letters of credits and advices thereof and documents evidencing or forming a part of the Collateral, (iv) entering into warehousing, lockbox, customs and freight agreements and other custodial arrangements satisfactory to Agent, and (v) executing and delivering financing statements, control agreements, instruments of pledge, mortgages, notices and assignments, in each case in form and substance satisfactory to Agent, relating to the creation, validity, perfection, maintenance or continuation of Agent's security interest and Lien under the Uniform Commercial Code or other Applicable Law. By its signature hereto, each Borrower hereby authorizes Agent to file against such Borrower, one or more financing, continuation or amendment statements pursuant to the Uniform Commercial Code in form and substance satisfactory to Agent (which statements may have a description of collateral which is broader than that set forth herein, including without limitation a description of Collateral as "all assets" and/or "all personal property" of any Borrower). All charges, expenses and fees Agent may incur in doing any of the foregoing, and any local taxes relating thereto, shall be charged to Borrowers' Account as a Revolving Advance of a Domestic Rate Loan and added to the Obligations, or, at Agent's option, shall be paid by Borrowers to Agent for its benefit and for the ratable benefit of Lenders promptly upon demand.



4.3. Preservation of Collateral. Following the occurrence of a Default or Event of Default, in addition to the rights and remedies set forth in Section 11.1 hereof, Agent: (a) may at any time take such steps as Agent deems necessary to protect Agent's interest in and to preserve the Collateral, including the hiring of security guards or the placing of other security protection measures as Agent may deem appropriate; (b) may employ and maintain at any of any Borrower's premises a custodian who shall have full authority to do all acts necessary to protect Agent's interests in the Collateral; (c) may lease warehouse facilities to which Agent may move all or part of the Collateral; (d) may use any Borrower's owned or leased lifts, hoists, trucks and other facilities or equipment for handling or removing the Collateral; and (e) shall have, and is hereby granted, a right of ingress and egress to the places where the Collateral is located, and may proceed over and through any of Borrowers' owned or leased property. Each Borrower shall cooperate fully with all of Agent's efforts to preserve the Collateral and will take such actions to preserve the Collateral as Agent may reasonably direct. All of Agent's reasonable expenses of preserving the Collateral, including any expenses relating to the bonding of a custodian, shall be charged to Borrowers' Account as a Revolving Advance maintained as a Domestic Rate Loan and added to the Obligations.

4.4. Ownership and Location of Collateral.

(a) With respect to the Collateral, at the time the Collateral becomes subject to Agent's security interest: (i) each Borrower shall be the sole owner of and fully authorized and able to sell, transfer, pledge and/or grant a first priority security interest in each and every item of its respective Collateral to Agent; and, except for Permitted Encumbrances the Collateral shall be free and clear of all Liens whatsoever; (ii) each document and agreement executed by each Borrower or delivered to Agent or any Lender in connection with such Collateral shall be true and correct in all material respects; (iii) all signatures and endorsements of each Borrower that appear on such documents and agreements shall be genuine and each Borrower shall have full capacity to execute same; and (iv) each Borrower's equipment shall be located as set forth on Schedule 4.4, as such Schedule may be updated from time to time, and shall not be removed from such location(s) without the prior written consent of Agent except with respect to the sale or disposition of property in the Ordinary Course of Business and equipment to the extent permitted in Section 7.1(b) hereof.

(b) (i) There is no location at which any Borrower has any Collateral other than those locations listed on Schedule 4.4; (ii) Schedule 4.4 hereto sets forth a correct and complete list as of the Closing Date of (A) each place of business of each Borrower and (B) the chief executive office of each Borrower; and (iii) Schedule 4.4 hereto sets forth a correct and complete list as of the Closing Date of the location, by state and street address, of all Real Property owned or leased by each Borrower, identifying which properties are owned and which are leased, together with the names and addresses of any landlords.

4.5. Defense of Agent's and Lenders' Interests. Until (a) payment and performance in full of all of the Obligations and (b) termination of this Agreement, Agent's interests in the Collateral shall continue in full force and effect. During such period no Borrower shall, without Agent's prior written consent, pledge, sell (except for sales or other dispositions otherwise permitted in Section 7.1(b) hereof), assign, transfer, create or suffer to exist a Lien upon or encumber or allow or suffer to be encumbered in any way except for Permitted Encumbrances, any part of the Collateral. Each Borrower shall defend Agent's interests in the Collateral against any and all Persons whatsoever. At any time following demand by Agent for payment of all Obligations, Agent shall have the right to take possession of the indicia of the Collateral and the Collateral in whatever physical form contained, including: labels, stationery, documents, instruments and advertising materials. If Agent exercises this right to take possession of the Collateral, Borrowers shall, upon demand, assemble it in the best manner possible and make it available to Agent at a place reasonably convenient to Agent. In addition, with respect to all Collateral, Agent and Lenders shall be entitled to all of the rights and remedies set forth herein and further provided by the Uniform Commercial Code or other Applicable Law. Each Borrower shall, and Agent may, at its option, instruct all suppliers, carriers, forwarders, warehousemen or others receiving or holding cash, checks, inventory, documents or instruments in which Agent holds a security interest to deliver same to Agent and/or subject to Agent's order and if they shall come into any Borrower's possession, they, and each of them, shall be held by such Borrower in trust as Agent's trustee, and such Borrower will promptly deliver them to Agent in their original form together with any necessary endorsement.

4.6. Inspection of Premises. Subject to Section 3.4(b), at such reasonable times and from time to time as Agent or any Lender may request, Agent and each Lender shall have the right to audit, check, inspect and make abstracts and copies from each Borrower's books, records, audits, correspondence and all other papers relating to the Collateral and the operation of each Borrower's business; provided, however, that prior written notice of any such visit, inspection, or examination shall be provided to Borrower and such visit, inspection or examination shall be performed at reasonable times to be agreed to by Borrower, which agreement will not be unreasonably withheld. Agent, any Lender and their agents may enter upon any premises of any Borrower, subject to Section 3.4(b), and this Section 4.6, for the purposes of such visits, inspection or examinations. If an Event of Default shall have occurred and be continuing, Agent, any Lender and their agents may enter upon any premises of any Borrower, at any time during business hours and at any other reasonable time, and from time to time as often as Agent shall elect in its sole discretion, for the purpose of inspecting the Collateral and any and all records pertaining thereto and the operation of such Borrower's business.

4.7. Reserved.

4.8. Receivables; Deposit Accounts and Securities Accounts.

(a) Each of the Receivables shall be a bona fide and valid account representing a bona fide indebtedness incurred by the Customer therein named, for a fixed sum as set forth in the invoice relating thereto (provided immaterial or unintentional invoice errors shall not be deemed to be a breach hereof) with respect to an absolute sale or lease and delivery of goods upon stated terms of a Borrower, or work, labor or services theretofore rendered by a Borrower as of the date each Receivable is created. Same shall be due and owing in accordance with the applicable Borrower's standard terms of sale without dispute, setoff or counterclaim except as may be stated on the accounts receivable schedules delivered by Borrowers to Agent.

(b) Each Customer, to the best of each Borrower's knowledge, as of the date each Receivable is created, is and will be solvent and able to pay all Receivables on which the Customer is obligated in full when due. With respect to such Customers of any Borrower who are not solvent, such Borrower has set up on its books and in its financial records bad debt reserves adequate to cover such Receivables.

(c) Each Borrower's chief executive office is located as set forth on Schedule 4.4(b)(iii). Until written notice is given to Agent by Borrowing Agent of any other office at which any Borrower keeps its records pertaining to Receivables, all such records shall be kept at such executive office, with backup data storage maintained at Borrower's places of business located at Hampton, VA and Pittsburg, PA, as set forth on Schedule 4.4.

(d) Borrowers shall instruct their Customers to deliver all remittances upon Receivables (whether paid by check or by wire transfer of funds) to such Blocked Account(s) and/or Depository Accounts (and any associated lockboxes) as Agent shall designate from time to time as contemplated by Section 4.8(h) or as otherwise agreed to from time to time by Agent. Notwithstanding the foregoing, to the extent any Borrower directly receives any remittances upon Receivables, such Borrower shall, at such Borrower's sole cost and expense, but on Agent's behalf and for Agent's account, collect as Agent's property and in trust for Agent all amounts received on Receivables, and shall not commingle such collections with any Borrower's funds or use the same except to pay Obligations, and shall as soon as possible and in any event no later than one (1) Business Day after the receipt thereof (i) in the case of remittances paid by check, deposit all such remittances in their original form (after supplying any necessary endorsements) and (ii) in the case of remittances paid by wire transfer of funds, transfer all such remittances, in each case, into such Blocked Account(s) and/or Depository Account(s). Each Borrower shall deposit in the Blocked Account and/or Depository Account or, upon request by Agent, deliver to Agent, in original form and on the date of receipt thereof, all checks, drafts, notes, money orders, acceptances, cash and other evidences of Indebtedness.

(e) At any time following the occurrence of an Event of Default or a Default, or when Agent reasonably believes that proceeds of Collateral are being diverted, Agent shall have the right to send notice of the assignment of, and Agent's security interest in and Lien on, the Receivables to any and all Customers or any third party holding or otherwise concerned with any of the Collateral. Thereafter, Agent shall have the sole right to collect the Receivables, take possession of the Collateral, or both. Agent's actual collection expenses, including, but not limited to, stationery and postage, telephone, facsimile, telegraph, secretarial and clerical expenses and the salaries of any collection personnel used for collection, may be charged to Borrowers' Account and added to the Obligations.

(f) Agent shall have the right to receive, endorse, assign and/or deliver in the name of Agent or any Borrower any and all checks, drafts and other instruments for the payment of money relating to the Receivables, and each Borrower hereby waives notice of presentment, protest and non-payment of any instrument so endorsed. Each Borrower hereby constitutes Agent or Agent's designee as such Borrower's attorney with power (i) at any time: (A) to endorse such Borrower's name upon any notes, acceptances, checks, drafts, money orders or other evidences of payment or Collateral; (B) to sign such Borrower's name on any invoice or bill of lading relating to any of the Receivables, drafts against Customers, assignments and verifications of Receivables; (C) to send verifications of Receivables to any Customer; (D) to sign such Borrower's name on all financing statements or any other documents or instruments deemed necessary or appropriate by Agent to preserve, protect, or perfect Agent's interest in the Collateral and to file same; and (E) to receive, open and dispose of all mail addressed to any Borrower at any post office box/lockbox maintained by Agent for Borrowers or at any other business premises of Agent; and (ii) at any time following the occurrence of a Default or an Event of Default: (A) to demand payment of the Receivables; (B) to enforce payment of the Receivables by legal proceedings or otherwise; (C) to exercise all of such Borrower's rights and remedies with respect to the collection of the Receivables and any other Collateral; (D) to sue upon or otherwise collect, extend the time of payment of, settle, adjust, compromise, extend or renew the Receivables; (E) to settle, adjust or compromise any legal proceedings brought to collect Receivables; (F) to prepare, file and sign such Borrower's name on a proof of claim in bankruptcy or similar document against any Customer; (G) to prepare, file and sign such Borrower's name on any notice of Lien, assignment or satisfaction of Lien or similar document in connection with the Receivables; (H) to accept the return of goods represented by any of the Receivables; (I) to change the address for delivery of mail addressed to any Borrower to such address as Agent may designate; and (J) to do all other acts and things necessary to carry out this Agreement. All acts of said attorney or designee are hereby ratified and approved, and said attorney or designee shall not be liable for any acts of omission or commission nor for any error of judgment or mistake of fact or of law, unless done maliciously or with gross (not mere) negligence (as determined by a court of competent jurisdiction in a final non-appealable judgment); this power being coupled with an interest is irrevocable while any of the Obligations remain unpaid.

(g) Neither Agent nor any Lender shall, under any circumstances or in any event whatsoever, have any liability for any error or omission or delay of any kind occurring in the settlement, collection or payment of any of the Receivables or any instrument received in payment thereof, or for any damage resulting therefrom.

(h) All proceeds of Collateral shall be deposited by Borrowers into either (i) a lockbox account, dominion account or such other "blocked account" ("Blocked Accounts") established at a bank or banks (each such bank, a "Blocked Account Bank") pursuant to an arrangement with such Blocked Account Bank as may be acceptable to Agent or (ii) depository accounts ("Depository Accounts") established at Agent for the deposit of such proceeds. Each applicable Borrower, Agent and each Blocked Account Bank shall enter into a deposit account control agreement in form and substance satisfactory to Agent that is sufficient to give Agent "control" (for purposes of Articles 8 and 9 of the Uniform Commercial Code) over such accounts and which directs such Blocked Account Bank to transfer such funds so deposited on a daily basis or at other times acceptable to Agent to Agent, either to any account maintained by Agent at said Blocked Account Bank or by wire transfer to appropriate account(s) at Agent; provided, however, that Borrowers shall not be required to give "control" to Agent with respect to any Excluded Accounts. All funds deposited in such Blocked Accounts or Depository Accounts shall immediately become subject to the security interest of Agent for its own benefit and the ratable benefit of Issuer, Lenders and all other holders of the Obligations, and Borrowing Agent shall obtain the agreement by such Blocked Account Bank to waive any offset rights against the funds so deposited. Neither Agent nor any Lender assumes any responsibility for such blocked account arrangement, including any claim of accord and satisfaction or release with respect to deposits accepted by any Blocked Account Bank thereunder. Agent shall apply all funds received by it from the Blocked Accounts and/or Depository Accounts to the satisfaction of the Obligations (including the cash collateralization of the Letters of Credit) in such order as Agent shall determine in its sole discretion, provided that, in the absence of any Event of Default, Agent shall apply all such funds representing collection of Receivables first to the prepayment of the principal amount of the Swing Loans, if any, and then to the Revolving Advances.

(i) No Borrower will, without Agent's consent, compromise or adjust any material amount of the Receivables (or extend the time for payment thereof) or accept any material returns of merchandise or grant any additional discounts, allowances or credits thereon except for those compromises, adjustments, returns, discounts, credits and allowances as have been heretofore customary in the Ordinary Course of Business of such Borrower.

(j) All deposit accounts (including all Blocked Accounts and Depository Accounts), securities accounts and investment accounts of each Borrower and its Subsidiaries as of the Closing Date are set forth on Schedule 4.8(j). No Borrower shall open any new deposit account, securities account or investment account unless (i) Borrowers shall have given at least thirty (30) days prior written notice to Agent and (ii) if such account is to be maintained with a bank, depository institution or securities intermediary that is not the Agent, such bank, depository institution or securities intermediary, each applicable Borrower and Agent shall first have entered into an account control agreement in form and substance satisfactory to Agent sufficient to give Agent "control" (for purposes of Articles 8 and 9 of the Uniform Commercial Code) over such account.

4.9. Inventory. To the extent Inventory held for sale or lease has been produced by any Borrower, it has been and will be produced by such Borrower in accordance with the Federal Fair Labor Standards Act of 1938, as amended, and all rules, regulations and orders thereunder.

4.10. Maintenance of Equipment. The equipment shall be maintained in good operating condition and repair (reasonable wear and tear excepted) and all necessary replacements of and repairs thereto shall be made so that the value and operating efficiency of the equipment shall be maintained and preserved. No Borrower shall use or operate the equipment in violation of any law, statute, ordinance, code, rule or regulation.

4.11. Exculpation of Liability. Nothing herein contained shall be construed to constitute Agent or any Lender as any Borrower's agent for any purpose whatsoever, nor shall Agent or any Lender be responsible or liable for any shortage, discrepancy, damage, loss or destruction of any part of the Collateral wherever the same may be located and regardless of the cause thereof. Neither Agent nor any Lender, whether by anything herein or in any assignment or otherwise, assume any of any Borrower's obligations under any contract or agreement assigned to Agent or such Lender, and neither Agent nor any Lender shall be responsible in any way for the performance by any Borrower of any of the terms and conditions thereof.

4.12. Financing Statements. Except as respects the financing statements filed by Agent, financing statements described on Schedule 1.2, and financing statements filed in connection with Permitted Encumbrances, Borrower shall not authorize any other financing statement covering any of the Collateral or any proceeds thereof to be on file in any public office (and to the extent any such financing statement is filed, Borrower will exercise commercially reasonable efforts to terminate or have terminated such financing statement.)

V. REPRESENTATIONS AND WARRANTIES.

Each Borrower represents and warrants as follows:

5.1. Authority. Each Borrower has full power, authority and legal right to enter into this Agreement and the Other Documents to which it is a party and to perform all its respective Obligations hereunder and thereunder. This Agreement and the Other Documents to which it is a party have been duly executed and delivered by each Borrower, and this Agreement and the Other Documents to which it is a party constitute the legal, valid and binding obligation of such Borrower enforceable in accordance with their terms, except as such enforceability may be limited by any applicable bankruptcy, insolvency, moratorium or similar laws affecting creditors' rights generally. The execution, delivery and performance of this Agreement and of the Other Documents to which it is a party (a) are within such Borrower's corporate or company powers, as applicable, have been duly authorized by all necessary corporate or company action, as applicable, are not in contravention of law or the terms of such Borrower's Organizational Documents or to the conduct of such Borrower's business or of any Material Contract or undertaking to which such Borrower is a party or by which such Borrower is bound, (b) will not conflict with or violate any law or regulation, or any judgment, order or decree of any Governmental Body, (c) will not require the Consent of any Governmental Body, any party to a Material Contract or any other Person, except those Consents set forth on Schedule 5.1 hereto, all of which will have been duly obtained, made or compiled prior to the Closing Date and which are in full force and effect and (d) will not conflict with, nor result in any breach in any of the provisions of or constitute a default under or result in the creation of any Lien except Permitted Encumbrances upon any asset of such Borrower under the provisions of any agreement, instrument, or other document to which such Borrower is a party or by which it or its property is a party or by which it may be bound.

5.2. Formation and Qualification.

(a) Each Borrower is duly incorporated or formed, as applicable, and in good standing under the laws of the state listed on Schedule 5.2(a) and is qualified to do business and is in good standing in the states listed on Schedule 5.2(a) which constitute all states in which qualification and good standing are necessary for such Borrower to conduct its business and own its property and where the failure to so qualify could reasonably be expected to have a Material Adverse Effect on such Borrower. Each Borrower has delivered to Agent true and complete copies of its Organizational Documents and will promptly notify Agent of any amendment or changes thereto.

(b) The only Subsidiaries of Holdings and each Borrower are listed on Schedule 5.2(b).

5.3. Survival of Representations and Warranties. All representations and warranties of such Borrower contained in this Agreement and the Other Documents to which it is a party shall be true at the time of such Borrower's execution of this Agreement and the Other Documents to which it is a party, and shall survive the execution, delivery and acceptance thereof by the parties thereto and the closing of the transactions described therein or related thereto.

5.4. Tax Returns. Each Borrower's federal tax identification number is set forth on Schedule 5.4. Each Borrower has filed all federal, state and local tax returns and other reports each is required by law to file and has paid all taxes, assessments, fees and other governmental charges that are due and payable, in each case, except as such filing or payment is being Properly Contested. The provision for taxes on the books of each Borrower is adequate for all years not closed by applicable statutes, and for its current fiscal year, and no Borrower has any knowledge of any deficiency or additional assessment in connection therewith not provided for on its books.

5.5. Financial Statements.

(a) The pro forma balance sheet of Borrowers on a Consolidated Basis (the "Pro Forma Balance Sheet") furnished to Agent on the Closing Date reflects the consummation of the transactions contemplated under this Agreement (collectively, the "Transactions") and is accurate, complete and correct and fairly reflects the financial condition of Borrowers on a Consolidated Basis as of the Closing Date after giving effect to the Transactions, and has been prepared in accordance with IFRS, consistently applied. The Pro Forma Balance Sheet has been certified as accurate, complete and correct in all material respects by the President and Chief Financial Officer of Borrowing Agent. All financial statements referred to in this subsection 5.5(a), including the related schedules and notes thereto, have been prepared in accordance with IFRS, except as may be disclosed in such financial statements.

(b) The twelve-month cash flow and balance sheet projections of Borrowers on a Consolidated Basis, copies of which are annexed hereto as Exhibit 5.5(b) (the "Projections") were prepared by the Controller of Borrowing Agent, are based on underlying assumptions which provide a reasonable basis for the projections contained therein and reflect Borrowers' judgment based on present circumstances of the most likely set of conditions and course of action for the projected period. The cash flow Projections together with the Pro Forma Balance Sheet are referred to as the "Pro Forma Financial Statements".

(c) The consolidated and consolidating balance sheets of Borrowers, and such other Persons described therein, as of June 30, 2013, and the related statements of income, changes in stockholder's equity, and changes in cash flow for the period ended on such date, all accompanied by reports thereon containing opinions without qualification by independent certified public accountants, copies of which have been delivered to Agent, have been prepared in accordance with IFRS, consistently applied (except for changes in application to which such accountants concur and present fairly the financial position of Borrowers at such date and the results of their operations for such period. Since June 30, 2013 there has been no change in the condition, financial or otherwise, of Borrowers as shown on the consolidated balance sheet as of such date and no change in the aggregate value of machinery, equipment and Real Property owned by Borrowers, except changes in the Ordinary Course of Business, none of which individually or in the aggregate has been materially adverse.

5.6. Entity Names. No Borrower has been known by any other company or corporate name, as applicable, in the past five (5) years and does not sell Inventory under any other name except as set forth on Schedule 5.6, nor has any Borrower been the surviving corporation or company, as applicable, of a merger or consolidation or acquired all or substantially all of the assets of any Person during the preceding five (5) years.

5.7. O.S.H.A. Environmental Compliance: Flood Insurance.

(a) Each Borrower is in material compliance with, and its facilities, business, assets, property, leaseholds, Real Property and Equipment are in material compliance with the Federal Occupational Safety and Health Act, and Environmental Laws and there are no outstanding citations, notices or orders of non-compliance issued to any Borrower or relating to its business, assets, property, leaseholds or Equipment under any such laws, rules or regulations.

(b) Each Borrower has been issued all required federal, state and local licenses, certificates or permits (collectively, "Approvals") relating to all applicable Environmental Laws and all such Approvals are current and in full force and effect.

(c) (i) there have been no releases, spills, discharges, leaks or disposal (collectively referred to as "Releases") of Hazardous Materials at, upon, under or migrating from or onto any Real Property owned, leased or occupied by any Borrower, except for those Releases which are in full compliance with Environmental Laws; (ii) there are no underground storage tanks or polychlorinated biphenyls on any Real Property owned, leased or occupied by any Borrower, except for such underground storage tanks or polychlorinated biphenyls that are present in compliance with Environmental Laws; (iii) the Real Property including any premises owned, leased or occupied by any Borrower has never been used by any Borrower to dispose of Hazardous Materials, except as authorized by Environmental Laws; and (iv) no Hazardous Materials are managed by any Borrower on any Real Property including any premises owned, leased or occupied by any Borrower, excepting such quantities as are managed in accordance with all applicable manufacturer's instructions and compliance with Environmental Laws and as are necessary for the operation of the commercial business of any Borrower or of its tenants.

(d) All Real Property owned by Borrowers is insured pursuant to policies and other bonds which are valid and in full force and effect and which provide adequate coverage from reputable and financially sound insurers in amounts sufficient to insure the assets and risks of each such Borrower in accordance with prudent business practice in the industry of such Borrower. Each Borrower has taken all actions required under the Flood Laws and/or requested by Agent to assist in ensuring that each Lender is in compliance with the Flood Laws applicable to the Collateral, including, but not limited to, providing Agent with the address and/or GPS coordinates of each structure located upon any Real Property that will be subject to a mortgage in favor of Agent, for the benefit of Lenders, and, to the extent required, obtaining flood insurance for such property, structures and contents prior to such property, structures and contents becoming Collateral.



5.8. Solvency; No Litigation, Violation, Indebtedness or Default; ERISA Compliance.

(a) (i) After giving effect to the Transactions, each Borrower will be solvent, able to pay its debts as they mature, will have capital sufficient to carry on its business and all businesses in which it is about to engage, (ii) as of the Closing Date, the fair present saleable value of its assets, calculated on a going concern basis, is in excess of the amount of its liabilities, and (iii) subsequent to the Closing Date, the fair saleable value of its assets (calculated on a going concern basis) will be in excess of the amount of its liabilities.

(b) Except as disclosed in Schedule 5.8(b)(i), no Borrower has any pending or threatened litigation, arbitration, actions or proceedings. No Borrower has any outstanding Indebtedness other than the Obligations, except for (i) Indebtedness disclosed in Schedule 5.8(b)(ii) and (ii) Indebtedness otherwise permitted under Section 7.8 hereof.

(c) No Borrower is in violation of any applicable statute, law, rule, regulation or ordinance in any respect which could reasonably be expected to have a Material Adverse Effect, nor is any Borrower in violation of any order of any court, Governmental Body or arbitration board or tribunal. Each Plan is in compliance in all material respects with the applicable provisions of ERISA, the Code and other federal or state laws.

(d) No Borrower or any member of the Controlled Group maintains or is required to contribute to any Plan other than those listed on Schedule 5.8(d) hereto. (i) Each Borrower and each member of the Controlled Group has met all applicable minimum funding requirements under Section 302 of ERISA and Section 412 of the Code in respect of each Plan, and each Plan is in compliance with Sections 412, 430 and 436 of the Code and Sections 206(g), 302 and 303 of ERISA, without regard to waivers and variances; (ii) each Plan which is intended to be a qualified plan under Section 401(a) of the Code as currently in effect has been determined by the Internal Revenue Service to be qualified under Section 401(a) of the Code and the trust related thereto is exempt from federal income tax under Section 501(a) of the Code or an application for such a determination is currently being processed by the Internal Revenue Code; (iii) neither any Borrower nor any member of the Controlled Group has incurred any liability to the PBGC other than for the payment of premiums, and there are no premium payments which have become due which are unpaid; (iv) no Plan has been terminated by the plan administrator thereof nor by the PBGC, and there is no occurrence which would cause the PBGC to institute proceedings under Title IV of ERISA to terminate any Plan; (v) the current value of the assets of each Plan exceeds the present value of the accrued benefits and other liabilities of such Plan and neither any Borrower nor any member of the Controlled Group knows of any facts or circumstances which would materially change the value of such assets and accrued benefits and other liabilities; (vi) neither any Borrower nor any member of the Controlled Group has breached any of the responsibilities, obligations or duties imposed on it by ERISA with respect to any Plan; (vii) neither any Borrower nor any member of a Controlled Group has incurred any liability for any excise tax arising under Section 4971, 4972 or 4980B of the Code, and no fact exists which could give rise to any such liability; (viii) neither any Borrower nor any member of the Controlled Group nor any fiduciary of, nor any trustee to, any Plan, has engaged in a "prohibited transaction" described in Section 406 of the ERISA or Section 4975 of the Code nor taken any action which would constitute or result in a Termination Event with respect to any such Plan which is subject to ERISA; (ix) no Termination Event has occurred or is reasonably expected to occur; (x) there exists no event described in Section 4043 of ERISA, for which the thirty (30) day notice period has not been waived; (xi) neither any Borrower nor any member of the Controlled Group has engaged in a transaction that could be subject to Section 4069 or 4212(c) of ERISA; (xii) neither any Borrower nor any member of the Controlled Group maintains or is required to contribute to any Plan which provides health, accident or life insurance benefits to former employees, their spouses or dependents, other than in accordance with Section 4980B of the Code; (xiii) neither any Borrower nor any member of the Controlled Group has withdrawn, completely or partially, within the meaning of Section 4203 or 4205 of ERISA, from any Multiemployer Plan so as to incur liability under the Multiemployer Pension Plan Amendments Act of 1980 and there exists no fact which would reasonably be expected to result in any such liability; and (xiv) no Plan fiduciary (as defined in Section 3(21) of ERISA) has any liability for breach of fiduciary duty or for any failure in connection with the administration or investment of the assets of a Plan.

5.9. Patents, Trademarks, Copyrights and Licenses. All Intellectual Property owned by any Borrower: (i) is set forth on Schedule 5.9; (ii) is valid and has been duly registered or filed with all appropriate Governmental Bodies; and (iii) constitutes all of the intellectual property rights which are necessary for the operation of its business. There is no objection to, pending challenge to the validity of, or proceeding by any Governmental Body to suspend, revoke, terminate or adversely modify, any such Intellectual Property and no Borrower is aware of any grounds for any challenge or proceedings, except as set forth in Schedule 5.9 hereto. All Intellectual Property owned or held by any Borrower consists of original material or property developed by such Borrower or was lawfully acquired by such Borrower from the proper and lawful owner thereof. Each of such items has been maintained so as to preserve the value thereof from the date of creation or acquisition thereof.

5.10. Licenses and Permits. Except as set forth in Schedule 5.10, each Borrower (a) is in compliance with and (b) has procured and is now in possession of, all material licenses or permits required by any applicable federal, state, or local law, rule or regulation for the operation of its business in each jurisdiction wherein it is now conducting or proposes to conduct business and where the failure to procure such licenses or permits could reasonably be expected to have a Material Adverse Effect.

5.11. Default of Indebtedness. No Borrower is in default in the payment of the principal of or interest on any Indebtedness or under any instrument or agreement under or subject to which any Indebtedness has been issued and no event has occurred under the provisions of any such instrument or agreement which with or without the lapse of time or the giving of notice, or both, constitutes or would constitute an event of default thereunder.

5.12. No Default. No Borrower is in default in the payment or performance of any of its contractual obligations and no Default or Event of Default has occurred.

5.13. No Burdensome Restrictions. No Borrower is party to any contract or agreement the performance of which could reasonably be expected to have a Material Adverse Effect. Each Borrower has heretofore delivered to Agent true and complete copies of all Material Contracts to which it is a party or to which it or any of its properties is subject. No Borrower has agreed or consented to cause or permit in the future (upon the happening of a contingency or otherwise) any of its property, whether now owned or hereafter acquired, to be subject to a Lien which is not a Permitted Encumbrance.

5.14. No Labor Disputes. No Borrower is involved in any labor dispute; there are no strikes or walkouts or union organization of any Borrower's employees threatened or in existence and no labor contract is scheduled to expire during the Term other than as set forth on Schedule 5.14 hereto.

5.15. Margin Regulations. No Borrower is engaged, nor will it engage, principally or as one of its important activities, in the business of extending credit for the purpose of "purchasing" or "carrying" any "margin stock" within the respective meanings of each of the quoted terms under Regulation U of the Board of Governors of the Federal Reserve System as now and from time to time hereafter in effect. No part of the proceeds of any Advance will be used for "purchasing" or "carrying" "margin stock" as defined in Regulation U of such Board of Governors.

5.16. Investment Company Act. No Borrower is an "investment company" registered or required to be registered under the Investment Company Act of 1940, as amended, nor is it controlled by such a company.

5.17. Disclosure. No representation or warranty made by any Borrower in this Agreement, the Other Documents, or in any financial statement, report, certificate or any other document furnished in connection herewith or therewith contains any untrue statement of a material fact or omits to state any material fact necessary to make the statements herein or therein not misleading. There is no fact known to any Borrower or which reasonably should be known to such Borrower which such Borrower has not disclosed to Agent in writing with respect to the transactions contemplated by this Agreement which could reasonably be expected to have a Material Adverse Effect.

5.18. Delivery of Royalty Agreements. Agent has received complete copies of the Royalty Agreements and related documents (including all exhibits, schedules and disclosure letters referred to therein or delivered pursuant thereto, if any) and all amendments thereto, waivers relating thereto and other side letters or agreements affecting the terms thereof. None of such documents and agreements has been amended or supplemented, nor have any of the provisions thereof been waived, except pursuant to a written agreement or instrument which has heretofore been delivered to Agent.

5.19. Reserved.

5.20. Swaps. No Borrower is a party to, nor will it be a party to, any swap agreement whereby such Borrower has agreed or will agree to swap interest rates or currencies unless same provides that damages upon termination following an event of default thereunder are payable on an unlimited "two-way basis" without regard to fault on the part of either party.

5.21. Business and Property of Borrowers. Upon and after the Closing Date, Borrowers do not propose to engage in any business other than business process outsourcing and activities necessary to conduct the foregoing. On the Closing Date, each Borrower will own all the property and possess all of the rights and Consents necessary for the conduct of the business of such Borrower.

5.22. Ineligible Securities. Borrowers do not intend to use and shall not use any portion of the proceeds of the Advances, directly or indirectly, to purchase during the underwriting period, or for 30 days thereafter, Ineligible Securities being underwritten by a securities Affiliate of Agent or any Lender.

5.23. Federal Securities Laws. No Borrower, Holdings, or any of their Subsidiaries (i) is required to file periodic reports under the Exchange Act, (ii) has any securities registered under the Exchange Act or (iii) has filed a registration statement that has not yet become effective under the Securities Act.

5.24. Equity Interests. The authorized and outstanding Equity Interests of each Borrower, and each legal and beneficial holder thereof as of the Closing Date, are as set forth on Schedule 5.24(a) hereto. All of the Equity Interests of each Borrower have been duly and validly authorized and issued and are fully paid and non-assessable and have been sold and delivered to the holders hereof in compliance with, or under valid exemption from, all federal and state laws and the rules and regulations of each Governmental Body governing the sale and delivery of securities. Except for the rights and obligations set forth on Schedule 5.24(b), there are no subscriptions, warrants, options, calls, commitments, rights or agreement by which any Borrower or any of the shareholders of any Borrower is bound relating to the issuance, transfer, voting or redemption of shares of its Equity Interests or any pre-emptive rights held by any Person with respect to the Equity Interests of Borrowers. Except as set forth on Schedule 5.24(c), Borrowers have not issued any securities convertible into or exchangeable for shares of its Equity Interests or any options, warrants or other rights to acquire such shares or securities convertible into or exchangeable for such shares.

5.25. Commercial Tort Claims. No Borrower has any commercial tort claims.

5.26. Letter of Credit Rights. As of the Closing Date, no Borrower has any letter of credit rights.

5.27. Material Contracts. Schedule 5.27 sets forth all Material Contracts of the Borrowers as of the Closing Date. All Material Contracts are in full force and effect and no material defaults currently exist thereunder. No Borrower has (i) received any notice of termination or non-renewal of any Material Contract, or (ii) exercised any option to terminate or not to renew any Material Contract.

VI. AFFIRMATIVE COVENANTS.

Each Borrower shall, until payment in full of the Obligations and termination of this Agreement:

6.1. Compliance with Laws. Comply in all material respects with all Applicable Laws with respect to the Collateral or any part thereof or to the operation of such Borrower's business the non-compliance with which could reasonably be expected to have a Material Adverse Effect (except to the extent any separate provision of this Agreement shall expressly require compliance with any particular Applicable Law(s) pursuant to another standard). Each Borrower may, however, contest or dispute any Applicable Laws in any reasonable manner, provided that any related Lien is inchoate or stayed and sufficient reserves are established to the reasonable satisfaction of Agent to protect Agent's Lien on or security interest in the Collateral.

6.2. Conduct of Business and Maintenance of Existence and Assets. (a) Conduct continuously and operate actively its business according to good business practices and maintain all of its properties useful or necessary in its business in good working order and condition (reasonable wear and tear excepted and except as may be disposed of in accordance with the terms of this Agreement), including all Intellectual Property and take all actions necessary to enforce and protect the validity of any intellectual property right or other right included in the Collateral; (b) keep in full force and effect its existence and comply in all material respects with the laws and regulations governing the conduct of its business where the failure to do so could reasonably be expected to have a Material Adverse Effect; and (c) make all such reports and pay all such franchise and other taxes and license fees and do all such other acts and things as may be lawfully required to maintain its rights, licenses, leases, powers and franchises under the laws of the United States or any political subdivision thereof where the failure to do so could reasonably be expected to have a Material Adverse Effect.

6.3. Books and Records. Keep proper books of record and account in which full, true and correct entries will be made of all dealings or transactions of or in relation to its business and affairs (including without limitation accruals for taxes, assessments, Charges, levies and claims, allowances against doubtful Receivables and accruals for depreciation, obsolescence or amortization of assets), all in accordance with, or as required by, IFRS consistently applied in the opinion of such independent public accountant as shall then be regularly engaged by Borrowers.

6.4. Payment of Taxes. Pay, when due (unless Properly Contested), all taxes, assessments and other Charges lawfully levied or assessed upon such Borrower or any of the Collateral, including real and personal property taxes, assessments and charges and all franchise, income, employment, social security benefits, withholding, and sales taxes. If any tax by any Governmental Body is or may be imposed on or as a result of any transaction between any Borrower and Agent or any Lender which Agent or any Lender may be required to withhold or pay or if any taxes, assessments, or other Charges remain unpaid after the date fixed for their payment, or if any claim shall be made which, in Agent's or any Lender's opinion, may possibly create a valid Lien on the Collateral, Agent may without notice to Borrowers pay the taxes, assessments or other Charges and each Borrower hereby indemnifies and holds Agent and each Lender harmless in respect thereof. Agent will not pay any taxes, assessments or Charges to the extent that any applicable Borrower has Properly Contested those taxes, assessments or Charges. The amount of any payment by Agent under this Section 6.4 shall be charged to Borrowers' Account as a Revolving Advance maintained as a Domestic Rate Loan and added to the Obligations and, until Borrowers shall furnish Agent with an indemnity therefor (or supply Agent with evidence satisfactory to Agent that due provision for the payment thereof has been made), Agent may hold without interest any balance standing to Borrowers' credit and Agent shall retain its security interest in and Lien on any and all Collateral held by Agent.

6.5. Fixed Charge Coverage Ratio. Cause to be maintained as of the end of each fiscal quarter, commencing with the fiscal quarter ending December 31, 2013, a Fixed Charge Coverage Ratio of not less than 1.10 to 1.00, measured as follows: (a) for the fiscal quarter ending December 31, 2013, for the six months ending December 31, 2013; (b) for the fiscal quarter ending March 31, 2014, for the nine months ending March 31, 2014; and (c) for the fiscal quarter ending June 30, 2014 and for each fiscal quarter thereafter, on a rolling four (4) quarter basis.

6.6. Insurance.

(a) (i) Keep all its insurable properties and properties in which such Borrower has an interest insured against the hazards of fire, flood, sprinkler leakage, those hazards covered by extended coverage insurance and such other hazards, and for such amounts, as is customary in the case of companies engaged in businesses similar to such Borrower's including business interruption insurance; (ii) maintain a bond in such amounts as is customary in the case of companies engaged in businesses similar to such Borrower insuring against larceny, embezzlement or other criminal misappropriation of insured's officers and employees who may either singly or jointly with others at any time have access to the assets or funds of such Borrower either directly or through authority to draw upon such funds or to direct generally the disposition of such assets; (iii) maintain public and product liability insurance against claims for personal injury, death or property damage suffered by others; (iv) maintain all such worker's compensation or similar insurance as may be required under the laws of any state or jurisdiction in which such Borrower is engaged in business; (v) furnish Agent with (A) copies of all policies and evidence of the maintenance of such policies by the renewal thereof at least ten (10) days before any expiration date, and (B) appropriate loss payable endorsements in form and substance satisfactory to Agent, naming Agent as an additional insured and mortgagee and/or lender loss payee (as applicable) as its interests may appear with respect to all insurance coverage referred to in clauses (i), and (iii) above, and providing (I) that all proceeds thereunder shall be payable to Agent, (II) no such insurance shall be affected by any act or neglect of the insured or owner of the property described in such policy, and (III) that such policy and loss payable clauses may not be cancelled, amended or terminated unless at least ten (10) days prior written notice is given to Agent. In the event of any loss thereunder, the carriers named therein hereby are directed by Agent and the applicable Borrower to make payment for such loss to Agent and not to such Borrower and Agent jointly. If any insurance losses are paid by check, draft or other instrument payable to any Borrower and Agent jointly, Agent may endorse such Borrower's name thereon and do such other things as Agent may deem advisable to reduce the same to cash.

(b) Each Borrower shall take all actions required under the Flood Laws and/or requested by Agent to assist in ensuring that each Lender is in compliance with the Flood Laws applicable to the Collateral, including, but not limited to, providing Agent with the address and/or GPS coordinates of each structure on any real property that will be subject to a mortgage in favor of Agent, for the benefit of Lenders, and, to the extent required, obtaining flood insurance for such property, structures and contents prior to such property, structures and contents becoming Collateral, and thereafter maintaining such flood insurance in full force and effect for so long as required by the Flood Laws.

(c) Agent is hereby authorized to adjust and compromise claims under insurance coverage referred to in Sections 6.6(a)(i), and (iii) and 6.6(b) above. All loss recoveries received by Agent under any such insurance may be applied to the Obligations, in such order as Agent in its sole discretion shall determine. Any surplus shall be paid by Agent to Borrowers or applied as may be otherwise required by law. Any deficiency thereon shall be paid by Borrowers to Agent, on demand. If any Borrower fails to obtain insurance as hereinabove provided, or to keep the same in force, Agent, if Agent so elects, may obtain such insurance and pay the premium therefor on behalf of such Borrower, which payments shall be charged to Borrowers' Account and constitute part of the obligations.

6.7. Payment of Indebtedness and Leasehold Obligations. Pay, discharge or otherwise satisfy (i) at or before maturity (subject, where applicable, to specified grace periods) all its Indebtedness, except when the failure to do so could not reasonably be expected to have a Material Adverse Effect or when the amount or validity thereof is currently being Properly Contested, subject at all times to any applicable subordination arrangement in favor of Lenders and (ii) when due its rental obligations under all leases under which it is a tenant, and shall otherwise comply, in all material respects, with all other terms of such leases and keep them in full force and effect.

6.8. Environmental Matters.

(a) Ensure that the Real Property and all operations and businesses conducted thereon are in compliance and remain in compliance with all Environmental Laws and it shall manage any and all Hazardous Materials on any Real Property in compliance with Environmental Laws.

(b) Establish and maintain an environmental management and compliance system to assure and monitor continued compliance with all applicable Environmental Laws which system shall include periodic environmental compliance audits to be conducted by knowledgeable environmental professionals. All potential violations and violations of Environmental Laws shall be reviewed with legal counsel to determine any required reporting to applicable Governmental Bodies and any required corrective actions to address such potential violations or violations.

(c) Respond promptly to any Hazardous Discharge or Environmental Complaint and take all necessary action in order to safeguard the health of any Person and to avoid subjecting the Collateral or Real Property to any Lien. If any Borrower shall fail to respond promptly to any Hazardous Discharge or Environmental Complaint or any Borrower shall fail to comply with any of the requirements of any Environmental Laws, Agent on behalf of Lenders may, but without the obligation to do so, for the sole purpose of protecting Agent's interest in the Collateral: (i) give such notices or (ii) enter onto the Real Property (or authorize third parties to enter onto the Real Property) and take such actions as Agent (or such third parties as directed by Agent) deem reasonably necessary or advisable, to remediate, remove, mitigate or otherwise manage with any such Hazardous Discharge or Environmental Complaint. All reasonable costs and expenses incurred by Agent and Lenders (or such third parties) in the exercise of any such rights, including any sums paid in connection with any judicial or administrative investigation or proceedings, fines and penalties, together with interest thereon from the date expended at the Default Rate for Domestic Rate Loans constituting Revolving Advances shall be paid upon demand by Borrowers, and until paid shall be added to and become a part of the Obligations secured by the Liens created by the terms of this Agreement or any other agreement between Agent, any Lender and any Borrower.

(d) Promptly upon the written request of Agent from time to time, Borrowers shall provide Agent, at Borrowers' expense, with an environmental site assessment or environmental compliance audit report prepared by an environmental engineering firm acceptable in the reasonable opinion of Agent, to assess with a reasonable degree of certainty the existence of a Hazardous Discharge and the potential costs in connection with abatement, remediation and removal of any Hazardous Materials found on, under, at or within the Real Property. Any report or investigation of such Hazardous Discharge proposed and acceptable to the responsible Governmental Body shall be acceptable to Agent. If such estimates, individually or in the aggregate, exceed \$100,000, Agent shall have the right to require Borrowers to post a bond, letter of credit or other security reasonably satisfactory to Agent to secure payment of these costs and expenses.

6.9. Standards of Financial Statements. Cause all financial statements referred to in Sections 9.7, 9.8, 9.9, 9.10, 9.11, 9.12, and 9.13 as to which IFRS is applicable to be complete and correct in all material respects (subject, in the case of interim financial statements, to normal year-end audit adjustments) and to be prepared in reasonable detail and in accordance with IFRS applied consistently throughout the periods reflected therein (except as disclosed therein and agreed to by such reporting accountants or officer, as applicable).

6.10. Federal Securities Laws. Promptly notify Agent in writing if Holdings, any Borrower, or any of their Subsidiaries (i) is required to file periodic reports under the Exchange Act, (ii) registers any securities under the Exchange Act or (iii) files a registration statement under the Securities Act.

6.11. Execution of Supplemental Instruments. Execute and deliver to Agent from time to time, upon demand, such supplemental agreements, statements, assignments and transfers, or instructions or documents relating to the Collateral, and such other instruments as Agent may reasonably request, in order that the full intent of this Agreement may be carried into effect.

6.12. Reserved.

6.13. Government Receivables. Take all steps necessary to protect Agent's interest in the Collateral under the Federal Assignment of Claims Act, the Uniform Commercial Code and all other applicable state or local statutes or ordinances and deliver to Agent appropriately endorsed, any instrument or chattel paper connected with any Receivable arising out of any contract between any Borrower and the United States, any state or any department, agency or instrumentality of any of them.



6.14. Keepwell. If it is a Qualified ECP Loan Party, then jointly and severally, together with each other Qualified ECP Loan Party, hereby absolutely unconditionally and irrevocably (a) guarantees the prompt payment and performance of all Swap Obligations owing by each Non-Qualifying Party (it being understood and agreed that this guarantee is a guaranty of payment and not of collection), and (b) undertakes to provide such funds or other support as may be needed from time to time by any Non-Qualifying Party to honor all of such Non-Qualifying Party's obligations under this Agreement or any Other Document in respect of Swap Obligations (provided, however, that each Qualified ECP Loan Party shall only be liable under this Section 6.14 for the maximum amount of such liability that can be hereby incurred without rendering its obligations under this Section 6.14, or otherwise under this Agreement or any Other Document, voidable under applicable law, including applicable law relating to fraudulent conveyance or fraudulent transfer, and not for any greater amount). The obligations of each Qualified ECP Loan Party under this Section 6.14 shall remain in full force and effect until payment in full of the Obligations and termination of this Agreement and the Other Documents. Each Qualified ECP Loan Party intends that this Section 6.14 constitute, and this Section 6.14 shall be deemed to constitute, a guarantee of the obligations of, and a "keepwell, support, or other agreement" for the benefit of each other Borrower and Guarantor for all purposes of Section 1a(18)(A)(v)(II) of the CEA.

6.15. Post-Closing Covenants.

(a) Within ninety (90) days after the Closing Date, close all deposit accounts maintained with any Person other than Agent.

(b) Within thirty (30) days after the Closing Date, deliver to Agent (i) loss payable endorsements issued by Borrowers' insurer naming Agent as lender's loss payee with respect to Borrowers' property insurance policies, and (ii) an additional insured endorsement issued by Borrowers' insurer naming Agent as additional insured with respect to Borrowers' liability insurance policies.

(c) Within thirty (30) days after the Closing Date, deliver to Agent a copy of Borrowers' fully audited financial statements for the fiscal year ending June 30, 2013, and such audited financial statements shall not vary in any material respect from the draft financial statements for such period previously provided to Agent.

(d) Within fifteen (15) days after the Closing Date, deliver to Agent executed Lien Waiver Agreements in form and substance satisfactory to Agent for Borrowers' chief executive office location and any other location at which books and records are kept.

VII. NEGATIVE COVENANTS.

No Borrower shall, until satisfaction in full of the Obligations and termination of this Agreement:

7.1. Merger, Consolidation, Acquisition and Sale of Assets.

(a) Enter into any merger, consolidation or other reorganization with or into any other Person or acquire all or a substantial portion of the assets or Equity Interests of any Person or permit any other Person to consolidate with or merge with it, except any Borrower may merge, consolidate or reorganize with another Borrower or acquire the assets or Equity Interest of another Borrower so long as such Borrower provides Agent with ten (10) days prior written notice of such merger, consolidation or reorganization and delivers all of the relevant documents evidencing such merger, consolidation or reorganization.

(b) Sell, lease, transfer or otherwise dispose of any of its properties or assets, except (i) the sale of property or assets in the Ordinary Course of Business, (ii) the disposition or transfer of obsolete or worn-out equipment, or equipment that has become no longer useful in such Borrower's business, in the Ordinary Course of Business and (iii) any other sales or dispositions expressly permitted by this Agreement in each case not to exceed assets with a fair market value of more than \$250,000 in any fiscal year and to the extent that (x) the proceeds of any such disposition are used to acquire replacement equipment which is subject to Agent's first priority security interest or (y) the proceeds of which are remitted to Agent to be applied pursuant to Section 2.20.

7.2. Creation of Liens. Create or suffer to exist any Lien or transfer upon or against any of its property or assets now owned or hereafter created or acquired, except Permitted Encumbrances.

7.3. Guarantees. Become liable upon the obligations or liabilities of any Person by assumption, endorsement or guaranty thereof or otherwise (other than to Lenders) except (a) guarantees by one or more Borrower(s) of the Indebtedness or obligations of any other Borrower(s) to the extent such Indebtedness or obligations are permitted to be incurred and/or outstanding pursuant to the provisions of this Agreement and (b) the endorsement of checks in the Ordinary Course of Business.

7.4. Investments. Purchase or acquire obligations or Equity Interests of, or any other interest in, any Person, other than Permitted Investments.

7.5. Loans. Make advances, loans or extensions of credit to any Person, including any Parent, Subsidiary or Affiliate other than (i) Permitted Loans and (ii) as permitted under Section 7.10 hereof.

7.6. Capital Expenditures. Contract for, purchase or make any expenditure or commitments for Capital Expenditures (i) for the period from the Closing Date through and including June 30, 2014 in an aggregate amount for all Borrowers in excess of \$3,000,000, or (ii) in any fiscal year thereafter in an aggregate amount for all Borrowers in excess of \$5,000,000.

7.7. Dividends. Declare, pay or make any dividend or distribution on any Equity Interests of any Borrower (other than dividends or distributions payable in its stock, or split-ups or reclassifications of its stock) or apply any of its funds, property or assets to the purchase, redemption or other retirement of any Equity Interest, or of any options to purchase or acquire any Equity Interest of any Borrower. Nothing in this Section 7.7 shall be deemed to prohibit Permitted Holdings Distributions under Section 7.10 hereof.

7.8. Indebtedness. Create, incur, assume or suffer to exist any Indebtedness other than Permitted Indebtedness.

7.9. Nature of Business. Substantially change the nature of the business in which it is presently engaged, nor except as specifically permitted hereby purchase or invest, directly or indirectly, in any assets or property other than in the Ordinary Course of Business for assets or property which are useful in, necessary for and are to be used in its business as presently conducted.

7.10. Transactions with Affiliates. Directly or indirectly, purchase, acquire or lease any property from, or sell, transfer or lease any property to, or otherwise enter into any transaction or deal with, any Affiliate, except for (i) transactions among Borrowers, Holdings, or their Subsidiaries which are not expressly prohibited by the terms of this Agreement and which are in the Ordinary Course of Business; provided, however, that neither the extension of credit to, nor the assumption, endorsement or guaranty of any Indebtedness of, any Affiliate shall be deemed to be a transaction in the Ordinary Course of Business for purposes of this Section 7.10, (ii) payment by Borrowers of dividends and distributions permitted under Section 7.7 hereof, (iii) Permitted Holdings Distributions, (iv) Permitted Royalty Payments, and (v) transactions disclosed to Agent in writing, which are in the Ordinary Course of Business, on an arm's-length basis on terms and conditions no less favorable than terms and conditions which would have been obtainable from a Person other than an Affiliate.

7.11. Leases. Enter as lessee into any lease arrangement for real or personal property (unless capitalized and permitted under Section 7.6 hereof) if after giving effect thereto, aggregate annual rental payments for all leased property would exceed the following amounts in the aggregate for all Borrowers for the following periods: (i) \$7,800,000 for the fiscal year ending June 30, 2014; (ii) \$10,200,000 for the fiscal year ending June 30, 2015; and (iii) \$12,600,000 for the fiscal year ending June 30, 2015 and for each fiscal year thereafter.

7.12. Subsidiaries.

(a) Form any Subsidiary;

(b) Enter into any partnership, joint venture or similar arrangement; or

(c) Permit TRG Customer Solutions (Canada), Inc., a Canadian corporation, to engage in any operations, business or activities of any type or nature whatsoever other than and except for providing ministerial and administrative support for Borrowers.

7.13. Fiscal Year and Accounting Changes. Change its fiscal year from June 30 or make any significant change (i) in accounting treatment and reporting practices except as required by IFRS or (ii) in tax reporting treatment except as required by law.

7.14. Pledge of Credit. Now or hereafter pledge Agent's or any Lender's credit on any purchases, commitments or contracts or for any purpose whatsoever or use any portion of any Advance in or for any business other than such Borrower's business operations as conducted on the Closing Date.

7.15. Amendment of Organizational Documents. (i) Change its legal name (other than changing its legal name to IBEX Global Solutions Inc. upon prior written notice to Agent together with copies of the applicable certified name change documents), (ii) change its form of legal entity (e.g., converting from a corporation to a limited liability company or vice versa), (iii) change its jurisdiction of organization or become (or attempt or purport to become) organized in more than one jurisdiction, or (iv) otherwise amend, modify or waive any term or material provision of its Organizational Documents unless required by law, in any such case without (x) giving at least thirty (30) days prior written notice of such intended change to Agent, (y) having received from Agent confirmation that Agent has taken all steps necessary for Agent to continue the perfection of and protect the enforceability and priority of its Liens in the Collateral belonging to such Borrower and in the Equity Interests of such Borrower and (z) in any case under clause (iv), having received the prior written consent of Agent and Required Lenders to such amendment, modification or waiver.

7.16. Compliance with ERISA. (i) (x) Maintain, or permit any member of the Controlled Group to maintain, or (y) become obligated to contribute, or permit any member of the Controlled Group to become obligated to contribute, to any Plan, other than those Plans disclosed on Schedule 5.8(d), (ii) engage, or permit any member of the Controlled Group to engage, in any non-exempt "prohibited transaction", as that term is defined in Section 406 of ERISA or Section 4975 of the Code, (iii) terminate, or permit any member of the Controlled Group to terminate, any Plan where such event could result in any liability of any Borrower or any member of the Controlled Group or the imposition of a lien on the property of any Borrower or any member of the Controlled Group pursuant to Section 4068 of ERISA, (iv) incur, or permit any member of the Controlled Group to incur, any withdrawal liability to any Multiemployer Plan; (v) fail promptly to notify Agent of the occurrence of any Termination Event, (vi) fail to comply, or permit a member of the Controlled Group to fail to comply, with the requirements of ERISA or the Code or other Applicable Laws in respect of any Plan, (vii) fail to meet, permit any member of the Controlled Group to fail to meet, or permit any Plan to fail to meet all minimum funding requirements under ERISA and the Code, without regard to any waivers or variances, or postpone or delay or allow any member of the Controlled Group to postpone or delay any funding requirement with respect of any Plan, or (viii) cause, or permit any member of the Controlled Group to cause, a representation or warranty in Section 5.8(d) to cease to be true and correct.

7.17. Prepayment of Indebtedness; Payment of Amounts due Under Holdings Note. At any time, directly or indirectly, prepay any Indebtedness (other than to Lenders), repurchase, redeem, retire or otherwise acquire any Indebtedness of any Borrower in excess of \$100,000 in any fiscal year, or make any payment with respect to amounts owing under the Holdings Note, except that this Section 7.17 shall not prohibit payment or prepayment of the making of Permitted Holdings Distributions.

7.18. Reserved.

7.19. Other Agreements. Enter into any material amendment, waiver or modification of the Royalty Agreements or any related agreements, other than any amendments to the Royalty Agreements providing for the transfer of interest of IBEX Global Europe S.A.R.L. in such Royalty Agreements to any other wholly owned Subsidiary of Holdings.

7.20. Membership / Partnership Interests. Designate or permit any of their Subsidiaries to (a) treat their limited liability company membership interests or partnership interests, as the case may be, as securities as contemplated by the definition of "security" in Section 8-102(15) and by Section 8-103 of Article 8 of the Uniform Commercial Code or (b) certificate their limited liability membership interests or partnership interests, as applicable.

7.21. Affiliate Payables. At any time, permit (a) the terms of any accounts payable due to any Affiliate or Subsidiary of any Borrower to be modified in any manner that is adverse to any Borrower, or (b) the amount of outstanding Receivables owing to the Borrowers from their Affiliates and Subsidiaries to exceed \$2,500,000 in the aggregate at any time on or after January 1, 2014.

#### VIII. CONDITIONS PRECEDENT.

8.1. Conditions to Initial Advances. The agreement of Lenders to make the initial Advances requested to be made on the Closing Date is subject to the satisfaction, or waiver by Agent, immediately prior to or concurrently with the making of such Advances, of the following conditions precedent:

(a) Notes. Agent shall have received the Notes duly executed and delivered by an authorized officer of each Borrower;

(b) Other Documents. Agent shall have received each of the executed Other Documents, as applicable;

(c) License Agreements. Agent shall have received fully executed License Agreements in form and substance satisfactory to Agent pursuant to which Borrowers shall have been granted to use all Intellectual Property necessary for the operation of Borrowers' business as conducted on the Closing Date;

(d) Financial Condition Certificates. Agent shall have received an executed Financial Condition Certificate in the form of Exhibit 8.1(d);

(e) Closing Certificate. Agent shall have received a closing certificate signed by the Chief Financial Officer of each Borrower dated as of the date hereof, stating that (i) all representations and warranties set forth in this Agreement and the Other Documents are true and correct on and as of such date, and (ii) on such date no Default or Event of Default has occurred or is continuing;

(f) Borrowing Base. Agent shall have received evidence from Borrowers that the aggregate amount of Eligible Receivables and Eligible Unbilled Receivables is sufficient in value and amount to support Advances in the amount requested by Borrowers on the Closing Date;

(g) Undrawn Availability. After giving effect to the initial Advances hereunder, Borrowers shall have Undrawn Availability of at least \$5,500,000;

(h) Blocked Accounts. Borrowers shall have opened the Depository Accounts with Agent or Agent shall have received duly executed agreements establishing the Blocked Accounts with financial institutions acceptable to Agent for the collection or servicing of the Receivables and proceeds of the Collateral and Agent shall have entered into control agreements with the applicable financial institutions in form and substance satisfactory to Agent with respect to such Blocked Accounts;

(i) Filings, Registrations and Recordings. Each document (including any Uniform Commercial Code financing statement) required by this Agreement, any related agreement or under law or reasonably requested by Agent to be filed, registered or recorded in order to create, in favor of Agent, a perfected security interest in or lien upon the Collateral shall have been properly filed, registered or recorded in each jurisdiction in which the filing, registration or recordation thereof is so required or requested, and Agent shall have received an acknowledgment copy, or other evidence satisfactory to it, of each such filing, registration or recordation and satisfactory evidence of the payment of any necessary fee, tax or expense relating thereto;

(j) Amendment to Trademark License. Agent shall have received a fully executed amendment to that certain Intellectual Property License Agreement dated as of May 8, 2013 by and among IBEX Global Europe S.A.R.L and IBEX, which amendment shall be in form and substance satisfactory to Agent;

(k) Secretary's Certificates, Authorizing Resolutions and Good Standings of Borrowers. Agent shall have received a certificate of the Secretary or Assistant Secretary (or other equivalent officer, partner or manager) of each Borrower in form and substance satisfactory to Agent dated as of the Closing Date which shall certify (i) copies of resolutions in form and substance reasonably satisfactory to Agent, of the board of directors (or other equivalent governing body, member or partner) of such Borrower authorizing (x) the execution, delivery and performance of this Agreement, the Notes and each Other Document to which such Borrower is a party (including authorization of the incurrence of indebtedness, borrowing of Revolving Advances and Swing Loans and requesting of Letters of Credit on a joint and several basis with all Borrowers as provided for herein), and (y) the granting by such Borrower of the security interests in and liens upon the Collateral to secure all of the joint and several Obligations of Borrowers (and such certificate shall state that such resolutions have not been amended, modified, revoked or rescinded as of the date of such certificate), (ii) the incumbency and signature of the officers of such Borrower authorized to execute this Agreement and the Other Documents, (iii) copies of the Organizational Documents of such Borrower as in effect on such date, complete with all amendments thereto, and (iv) the good standing (or equivalent status) of such Borrower in its jurisdiction of organization dated not more than thirty (30) days prior to the Closing Date, issued by the Secretary of State or other appropriate official of such jurisdiction;

(l) Secretary's Certificates, Authorizing Resolutions and Good Standings of Guarantors. Agent shall have received a certificate of the Secretary or Assistant Secretary (or other equivalent officer, partner or manager) of each Guarantor in form and substance satisfactory to Agent dated as of the Closing Date which shall certify (i) copies of resolutions in form and substance reasonably satisfactory to Agent, of the board of directors (or other equivalent governing body, member or partner) of each Guarantor authorizing (x) the execution, delivery and performance of such Guarantor's Guaranty and each Other Document to which such Guarantor is a party and (y) the granting by such Guarantor of the security interests in and liens upon the Collateral to secure its obligations under its Guaranty (and such certificate shall state that such resolutions have not been amended, modified, revoked or rescinded as of the date of such certificate), (ii) the incumbency and signature of the officers of such Guarantor authorized to execute this Agreement and the Other Documents, (iii) copies of the Organizational Documents of such Guarantor as in effect on such date, complete with all amendments thereto, and (iv) the good standing (or equivalent status) of such Guarantor in its jurisdiction of organization and each applicable jurisdiction where the conduct of such Guarantor's business activities or the ownership of its properties necessitates qualification, as evidenced by good standing certificate(s) (or the equivalent thereof issued by any applicable jurisdiction) dated not more than thirty (30) days prior to the Closing Date, issued by the Secretary of State or other appropriate official of each such jurisdiction;

(m) Legal Opinion. Agent shall have received the executed legal opinion of Jimmy D. Holland, General Counsel of the Borrower, in form and substance satisfactory to Agent which shall cover such matters incident to the transactions contemplated by this Agreement, the Notes, the Other Documents, and related agreements as Agent may reasonably require and each Borrower hereby authorizes and directs such counsel to deliver such opinions to Agent and Lenders;

(n) UK Matters. Agent shall have received (i) the executed legal opinion of Mishcon de Reya Solicitors in form and substance satisfactory to Agent which shall cover such matters incident to the transactions contemplated by all of the Other Documents to which Holdings is a party, and related agreements as Agent may reasonably require and each Borrower hereby authorizes and directs such counsel to deliver such opinions to Agent and Lenders, and (ii) evidence that all actions have been taken in order to permit Agent to enforce the Other Documents to which Holdings is a party against Holdings in accordance with their terms;

(o) No Litigation. No litigation, investigation or proceeding before or by any arbitrator or Governmental Body shall be continuing or threatened against any Borrower or against the officers or directors of any Borrower (A) in connection with this Agreement, the Other Documents or any of the transactions contemplated thereby and which, in the reasonable opinion of Agent, is deemed material or (B) which could, in the reasonable opinion of Agent, have a Material Adverse Effect; and (ii) no injunction, writ, restraining order or other order of any nature materially adverse to any Borrower or the conduct of its business or inconsistent with the due consummation of the Transactions shall have been issued by any Governmental Body;

(p) Collateral Examination. Agent shall have completed Collateral examinations and received appraisals, the results of which shall be satisfactory in form and substance to Agent, of the Receivables, General Intangibles, and equipment of each Borrower and all books and records in connection therewith;

- (q) Fees. Agent shall have received all fees payable to Agent and Lenders on or prior to the Closing Date hereunder, including pursuant to Article III hereof;
- (r) Pro Forma Financial Statements. Agent shall have received a copy of the Pro Forma Financial Statements which shall be satisfactory in all respects to Agent;
- (s) Reserved.

(t) Insurance. Agent shall have received in form and substance satisfactory to Agent, (i) evidence that adequate insurance, including without limitation, casualty and liability insurance, required to be maintained under this Agreement is in full force and effect, and (ii) insurance certificates issued by Borrowers' insurance broker containing such information regarding Borrowers' casualty and liability insurance policies as Agent shall request and naming Agent as an additional insured, lenders loss payee and/or mortgagee, as applicable;

(u) Termination of Capital Source Bank Credit Facility. Agent shall have received evidence satisfactory to Agent that all commitments to Borrowers from Capital Source Bank shall have terminated, and all Indebtedness of Borrowers to Capital Source Bank shall have been repaid, and upon such repayment, any and all Liens of Capital Source Bank on the Collateral shall be released;

(v) Payment Instructions. Agent shall have received written instructions from Borrowing Agent directing the application of proceeds of the initial Advances made pursuant to this Agreement;

(w) Consents. Agent shall have received any and all Consents necessary to permit the effectuation of the transactions contemplated by this Agreement and the Other Documents; and, Agent shall have received such Consents and waivers of such third parties as might assert claims with respect to the Collateral, as Agent and its counsel shall deem necessary;

(x) No Adverse Material Change. (i) Since June 30, 2013, there shall not have occurred any event, condition or state of facts which could reasonably be expected to have a Material Adverse Effect and (ii) no representations made or information supplied to Agent or Lenders shall have been proven to be inaccurate or misleading in any material respect;

(y) Contract Review. Agent shall have received and reviewed all Material Contracts of Borrowers including leases, union contracts, labor contracts, vendor supply contracts, license agreements and distributorship agreements and such contracts and agreements shall be satisfactory in all respects to Agent;

(z) Compliance with Laws. Agent shall be reasonably satisfied that each Borrower is in compliance with all pertinent federal, state, local or territorial regulations, including those with respect to the Federal Occupational Safety and Health Act, the Environmental Protection Act, ERISA and the Anti-Terrorism Laws; and

(aa) Other. All corporate and other proceedings, and all documents, instruments and other legal matters in connection with the Transactions shall be satisfactory in form and substance to Agent and its counsel.



8.2. Conditions to Each Advance. The agreement of Lenders to make any Advance requested to be made on any date (including the initial Advance), is subject to the satisfaction of the following conditions precedent as of the date such Advance is made:

(a) Representations and Warranties. Each of the representations and warranties made by Holdings or any Borrower in or pursuant to this Agreement, the Other Documents and any related agreements to which it is a party, and each of the representations and warranties contained in any certificate, document or financial or other statement furnished at any time under or in connection with this Agreement, the Other Documents or any related agreement shall be true and correct in all respects on and as of such date as if made on and as of such date (except to the extent any such representation or warranty expressly relates only to any earlier and/or specified date);

(b) No Default. No Event of Default or Default shall have occurred and be continuing on such date, or would exist after giving effect to the Advances requested to be made, on such date; provided, however that Agent, in its sole discretion, may continue to make Advances notwithstanding the existence of an Event of Default or Default and that any Advances so made shall not be deemed a waiver of any such Event of Default or Default;

(c) No Material Adverse Effect. No Material Adverse Effect shall exist; and

(d) Maximum Advances. In the case of any type of Advance requested to be made, after giving effect thereto, the aggregate amount of such type of Advance shall not exceed the maximum amount of such type of Advance permitted under this Agreement.

Each request for an Advance by any Borrower hereunder shall constitute a representation and warranty by each Borrower as of the date of such Advance that the conditions contained in this subsection shall have been satisfied.

#### IX. INFORMATION AS TO BORROWERS.

Each Borrower shall, or (except with respect to Section 9.11) shall cause Borrowing Agent on its behalf to, until satisfaction in full of the Obligations and the termination of this Agreement:

9.1. Disclosure of Material Matters. Promptly upon learning thereof, report to Agent (a) all matters materially affecting the value, enforceability or collectability of any portion of the Collateral, including any Borrower's reclamation or repossession of, or the return to any Borrower of, a material amount of goods or claims or disputes asserted by any Customer or other obligor, and (b) any investigation, hearing, proceeding or other inquest into any Borrower, any Guarantor, or any Affiliate of any Borrower or any Guarantor by any Governmental Body with respect to Anti-Terrorism Laws.

9.2. Schedules. Deliver to Agent (i) on or before the fifteenth (15th) day of each month as and for the prior month (a) accounts receivable ageings, (b) accounts payable schedules, and (c) a Borrowing Base Certificate in form and substance satisfactory to Agent (which shall be calculated as of the last day of the prior month and which shall not be binding upon Agent or restrictive of Agent's rights under this Agreement), and (ii) on or before the last day of each week, a sales report / roll forward for the prior week. In addition, each Borrower will deliver to Agent at such intervals as Agent may require: (i) confirmatory assignment schedules; (ii) copies of Customer's invoices; (iii) evidence of shipment or delivery; and (iv) such further schedules, documents and/or information regarding the Collateral as Agent may require including trial balances and test verifications. Agent shall have the right to confirm and verify all Receivables by any manner and through any medium it considers advisable and do whatever it may deem reasonably necessary to protect its interests hereunder. The items to be provided under this Section are to be in form satisfactory to Agent and executed by each Borrower and delivered to Agent from time to time solely for Agent's convenience in maintaining records of the Collateral, and any Borrower's failure to deliver any of such items to Agent shall not affect, terminate, modify or otherwise limit Agent's Lien with respect to the Collateral. Unless otherwise agreed to by Agent, the items to be provided under this Section 9.2 shall be delivered to Agent by the specific method of Approved Electronic Communication designated by Agent.

9.3. Environmental Reports.

(a) Furnish Agent, concurrently with the delivery of the financial statements referred to in Sections 9.7 and 9.8, with a certificate signed by the President of Borrowing Agent stating, to the best of his knowledge, that each Borrower is in compliance in all material respects with all applicable Environmental Laws. To the extent any Borrower is not in compliance with the foregoing laws, the certificate shall set forth with specificity all areas of non-compliance and the proposed action such Borrower will implement in order to achieve full compliance.

(b) In the event any Borrower obtains, gives or receives notice of any Release or threat of Release of a reportable quantity of any Hazardous Materials at the Real Property (any such event being hereinafter referred to as a "Hazardous Discharge") or receives any notice of violation, request for information or notification that it is potentially responsible for investigation or cleanup of environmental conditions at the Real Property, demand letter or complaint, order, citation, or other written notice with regard to any Hazardous Discharge or violation of Environmental Laws affecting the Real Property or any Borrower's interest therein or the operations or the business (any of the foregoing is referred to herein as an "Environmental Complaint") from any Person, including any Governmental Body, then Borrowing Agent shall, within five (5) Business Days, give written notice of same to Agent detailing facts and circumstances of which any Borrower is aware giving rise to the Hazardous Discharge or Environmental Complaint. Such information is to be provided to allow Agent to protect its security interest in and Lien on the Collateral and is not intended to create nor shall it create any obligation upon Agent or any Lender with respect thereto.

(c) Borrowing Agent shall promptly forward to Agent copies of any request for information, notification of potential liability, demand letter relating to potential responsibility with respect to the investigation or cleanup of Hazardous Materials at any other site owned, operated or used by any Borrower to manage of Hazardous Materials and shall continue to forward copies of correspondence between any Borrower and the Governmental Body regarding such claims to Agent until the claim is settled. Borrowing Agent shall promptly forward to Agent copies of all documents and reports concerning a Hazardous Discharge or Environmental Complaint at the Real Property, operations or business that any Borrower is required to file under any Environmental Laws. Such information is to be provided solely to allow Agent to protect Agent's security interest in and Lien on the Collateral.

9.4. Litigation. Promptly notify Agent in writing of any claim, litigation, suit or administrative proceeding which could reasonably be expected to result in an Event of Default hereunder or which could reasonably be expected to result in a Material Adverse Effect on any Borrower, Holdings or any Guarantor, whether or not the claim is covered by insurance.

9.5. Material Occurrences. Promptly notify Agent in writing upon the occurrence of: (a) any Event of Default or Default; (b) any event, development or circumstance whereby any financial statements or other reports furnished to Agent fail in any material respect to present fairly, in accordance with IFRS consistently applied, the financial condition or operating results of any Borrower as of the date of such statements; (c) any accumulated retirement plan funding deficiency which, if such deficiency continued for two plan years and was not corrected as provided in Section 4971 of the Code, could subject any Borrower to a tax imposed by Section 4971 of the Code; (d) each and every default by any Borrower which might result in the acceleration of the maturity of any Indebtedness, including the names and addresses of the holders of such Indebtedness with respect to which there is a default existing or with respect to which the maturity has been or could be accelerated, and the amount of such Indebtedness; and (e) any other development in the business or affairs of any Borrower or any Guarantor, which could reasonably be expected to have a Material Adverse Effect; in each case describing the nature thereof and the action Borrowers propose to take with respect thereto.

9.6. Government Receivables. Notify Agent promptly if any of its Receivables arise out of contracts between any Borrower and the United States, any state, or any department, agency or instrumentality of any of them.

9.7. Annual Financial Statements. Furnish Agent within one hundred twenty (120) days after the end of each fiscal year of Borrowers, financial statements of Borrowers on a consolidating and consolidated basis including, but not limited to, statements of income and stockholders' equity and cash flow from the beginning of the current fiscal year to the end of such fiscal year and the balance sheet as at the end of such fiscal year, all prepared in accordance with IFRS applied on a basis consistent with prior practices, and in reasonable detail and reported upon without qualification by an independent certified public accounting firm selected by Borrowers and satisfactory to Agent (the "Accountants"). In addition, the reports shall be accompanied by a Compliance Certificate.

9.8. Quarterly Financial Statements. Furnish Agent within forty five (45) days after the end of each fiscal quarter, an unaudited balance sheet of Borrowers on a consolidated and consolidating basis and unaudited statements of income and stockholders' equity and cash flow of Borrowers on a consolidated and consolidating basis reflecting results of operations from the beginning of the fiscal year to the end of such quarter and for such quarter, prepared on a basis consistent with prior practices and complete and correct in all material respects, subject to normal and recurring year-end adjustments that individually and in the aggregate are not material to Borrowers' business operations and setting forth in comparative form the respective financial statements for the corresponding date and period in the previous fiscal year. The reports shall be accompanied by a Compliance Certificate.

9.9. Monthly Financial Statements. Furnish Agent within thirty (30) days after the end of each month, an unaudited balance sheet of Borrowers on a consolidated and consolidating basis and unaudited statements of income and stockholders' equity and cash flow of Borrowers on a consolidated and consolidating basis reflecting results of operations from the beginning of the fiscal year to the end of such month and for such month, prepared on a basis consistent with prior practices and complete and correct in all material respects, subject to normal and recurring year-end adjustments that individually and in the aggregate are not material to Borrowers' business operations and setting forth in comparative form the respective financial statements for the corresponding date and period in the previous fiscal year. The reports shall be accompanied by a Compliance Certificate.

9.10. Other Reports. Furnish Agent as soon as available, but in any event within ten (10) days after the issuance thereof, with (i) copies of such financial statements, reports and returns as each Borrower shall send to the holders of its Equity Interests and (ii) copies of all financial statements, reports and returns as Holdings shall provide for publication with the exchange on which its Equity Interests are listed and traded. Notwithstanding the foregoing, Borrower and Holdings will be deemed to have furnished such reports and information referred to in this Section 9.10 if Borrower or Holdings (so long as access and instructions therefor are provided to Agent) has, upon prior or contemporaneous notice to Agent, (i) filed such reports with or to such securities exchange or the governing body of such securities exchange in such a manner that such reports or information are publically available, or (ii) otherwise posted such information or reports in an online data system for the benefit of its creditors or stockholders generally.

9.11. Additional Information. Furnish Agent with such additional information as Agent shall reasonably request in order to enable Agent to determine whether the terms, covenants, provisions and conditions of this Agreement have been complied with by Borrowers including, without the necessity of any request by Agent, (a) copies of all environmental audits and reviews, (b) at least thirty (30) days prior thereto, notice of any Borrower's opening of any new office or place of business or any Borrower's closing of any existing office or place of business, and (c) promptly upon any Borrower's learning thereof, notice of any labor dispute to which any Borrower may become a party, any strikes or walkouts relating to any of its plants or other facilities, and the expiration of any labor contract to which any Borrower is a party or by which any Borrower is bound.

9.12. Projected Operating Budget. Furnish Agent, no later than thirty (30) days prior to the beginning of each Borrower's fiscal years commencing with fiscal year 2015, a month by month projected operating budget and cash flow of Borrowers on a consolidated and consolidating basis for such fiscal year (including an income statement for each month and a balance sheet as at the end of the last month in each fiscal quarter), such projections to be accompanied by a certificate signed by the Chief Executive Officer or Chief Financial Officer of each Borrower to the effect that such projections have been prepared on the basis of sound financial planning practice consistent with past budgets and financial statements and that such officer has no reason to question the reasonableness of any material assumptions on which such projections were prepared.

9.13. Variations From Operating Budget. Furnish Agent, concurrently with the delivery of the financial statements referred to in Sections 9.7 and 9.8, a written report summarizing all material variances from budgets submitted by Borrowers pursuant to Section 9.12 and a discussion and analysis by management with respect to such variances.

9.14. Notice of Suits, Adverse Events. Furnish Agent with prompt written notice of (i) any lapse or other termination of any Consent issued to any Borrower by any Governmental Body or any other Person that is material to the operation of any Borrower's business, (ii) any refusal by any Governmental Body or any other Person to renew or extend any such Consent; and (iii) copies of any periodic or special reports filed by any Borrower or any Guarantor with any Governmental Body or Person, if such reports indicate any material change in the business, operations, affairs or condition of any Borrower or any Guarantor, or if copies thereof are requested by Lender, and (iv) copies of any material notices and other communications from any Governmental Body or Person which specifically relate to any Borrower or any Guarantor.

9.15. ERISA Notices and Requests. Furnish Agent with prompt written notice in the event that (i) any Borrower or any member of the Controlled Group knows or has reason to know that a Termination Event has occurred, together with a written statement describing such Termination Event and the action, if any, which such Borrower or any member of the Controlled Group has taken, is taking, or proposes to take with respect thereto and, when known, any action taken or threatened by the Internal Revenue Service, Department of Labor or PBGC with respect thereto, (ii) any Borrower or any member of the Controlled Group knows or has reason to know that a prohibited transaction (as defined in Sections 406 of ERISA and 4975 of the Code) has occurred together with a written statement describing such transaction and the action which such Borrower or any member of the Controlled Group has taken, is taking or proposes to take with respect thereto, (iii) a funding waiver request has been filed with respect to any Plan together with all communications received by any Borrower or any member of the Controlled Group with respect to such request, (iv) any increase in the benefits of any existing Plan or the establishment of any new Plan or the commencement of contributions to any Plan to which any Borrower or any member of the Controlled Group was not previously contributing shall occur, (v) any Borrower or any member of the Controlled Group shall receive from the PBGC a notice of intention to terminate a Plan or to have a trustee appointed to administer a Plan, together with copies of each such notice, (vi) any Borrower or any member of the Controlled Group shall receive any favorable or unfavorable determination letter from the Internal Revenue Service regarding the qualification of a Plan under Section 401(a) of the Code, together with copies of each such letter; (vii) any Borrower or any member of the Controlled Group shall receive a notice regarding the imposition of withdrawal liability, together with copies of each such notice; (viii) any Borrower or any member of the Controlled Group shall fail to make a required installment or any other required payment under the Code or ERISA on or before the due date for such installment or payment; or (ix) any Borrower or any member of the Controlled Group knows that (a) a Multiemployer Plan has been terminated, (b) the administrator or plan sponsor of a Multiemployer Plan intends to terminate a Multiemployer Plan, (c) the PBGC has instituted or will institute proceedings under Section 4042 of ERISA to terminate a Multiemployer Plan or (d) a Multiemployer Plan is subject to Section 432 of the Code or Section 305 of ERISA.

9.16. Additional Documents. Execute and deliver to Agent, upon request, such documents and agreements as Agent may, from time to time, reasonably request to carry out the purposes, terms or conditions of this Agreement.

9.17. Updates to Certain Schedules. Deliver to Agent promptly as shall be required to maintain the related representations and warranties as true and correct, updates to Schedules 4.4 (Locations of equipment and Inventory), 5.9 (Intellectual Property, Source Code Escrow Agreements), and 5.24 (Equity Interests); provided, that absent the occurrence and continuance of any Event of Default, Borrower shall only be required to provide such updates on a monthly basis in connection with delivery of a Compliance Certificate with respect to the applicable month. Any such updated Schedules delivered by Borrowers to Agent in accordance with this Section 9.17 shall automatically and immediately be deemed to amend and restate the prior version of such Schedule previously delivered to Agent and attached to and made part of this Agreement.

9.18. Financial Disclosure. Each Borrower hereby irrevocably authorizes and directs all accountants and auditors employed by such Borrower at any time during the Term to exhibit and deliver to Agent and each Lender copies of any of such Borrower's financial statements, trial balances or other accounting records of any sort in the accountant's or auditor's possession, and to disclose to Agent and each Lender any information such accountants may have concerning such Borrower's financial status and business operations. Each Borrower hereby authorizes all Governmental Bodies to furnish to Agent and each Lender copies of reports or examinations relating to such Borrower, whether made by such Borrower or otherwise; however, Agent and each Lender will attempt to obtain such information or materials directly from such Borrower prior to obtaining such information or materials from such accountants or Governmental Bodies.

9.19. Customer Documents. Notify Agent if any Borrower is or becomes party to any agreement with a Customer pursuant to which such Customer may exercise any rights of setoff against such Borrower, whether under such agreement or pursuant to applicable law, and provide to Agent copies of all documents and instruments evidencing any such agreements.

X. EVENTS OF DEFAULT.

The occurrence of any one or more of the following events shall constitute an "Event of Default":

10.1. Nonpayment. Failure by any Borrower to pay when due (a) any principal or interest on the Obligations (including without limitation pursuant to Section 2.9), or (b) any other fee, charge, amount or liability provided for herein or in any Other Document, in each case whether at maturity, by reason of acceleration pursuant to the terms of this Agreement, by notice of intention to prepay or by required prepayment.

10.2. Breach of Representation. Except as provided in Section 10.18, any representation or warranty made or deemed made by any Borrower or any Guarantor in this Agreement, any Other Document or any related agreement or in any certificate, document or financial or other statement furnished at any time in connection herewith or therewith shall prove to have been incorrect or misleading in any material respect on the date when made or deemed to have been made;

10.3. Financial Information. Failure by any Borrower to (i) furnish financial information when due or within three (3) Business Days following a request hereunder, or (ii) permit the inspection of its books or records or access to its premises for audits and appraisals in accordance with the terms hereof;

10.4. Judicial Actions. Issuance of a notice of Lien, levy, assessment, injunction or attachment (a) against any Borrower's Inventory or Receivables or (b) against a material portion of any Borrower's other property which, in either case, is not stayed or lifted within thirty (30) days;

10.5. Noncompliance. Except as otherwise provided for in Sections 10.1, 10.3, 10.5(ii), and 10.18 (i) failure or neglect of any Borrower to perform, keep or observe any term, provision, condition, covenant contained in Sections 2.22, 4.3, 4.6, 6.2(a), 6.2(b), 6.5, 6.8, 9.1, 9.15 or Article VII, or (ii) failure or neglect of any Borrower or any Guarantor to perform, keep or observe any other term, provision, condition or covenant, contained herein or in any Other Document which is not cured within fifteen (15) days from the earlier of (a) knowledge of such failure by a Borrower or (b) the date on which Borrowers receive written notice of such failure from the Agent;

10.6. Judgments. Any (a) judgment or judgments, writ(s), order(s) or decree(s) for the payment of money are rendered against any Borrower or any Guarantor for an aggregate amount in excess of \$500,000 or against all Borrowers or Guarantors for an aggregate amount in excess of \$500,000 and (b) (i) action shall be legally taken by any judgment creditor to levy upon assets or properties of any Borrower or any Guarantor to enforce any such judgment, (ii) such judgment shall remain undischarged for a period of thirty (30) consecutive days during which a stay of enforcement of such judgment, by reason of a pending appeal or otherwise, shall not be in effect, or (iii) any Liens arising by virtue of the rendition, entry or issuance of such judgment upon assets or properties of any Borrower or any Guarantor shall be senior to any Liens in favor of Agent on such assets or properties;

10.7. Bankruptcy. Any Borrower, any Guarantor, any Subsidiary or Affiliate of any Borrower shall (i) apply for, consent to or suffer the appointment of, or the taking of possession by, a receiver, custodian, trustee, liquidator or similar fiduciary of itself or of all or a substantial part of its property, (ii) admit in writing its inability, or be generally unable, to pay its debts as they become due or cease operations of its present business, (iii) make a general assignment for the benefit of creditors, (iv) commence a voluntary case under any state or federal bankruptcy or receivership laws (as now or hereafter in effect), (v) be adjudicated a bankrupt or insolvent (including by entry of any order for relief in any involuntary bankruptcy or insolvency proceeding commenced against it), (vi) file a petition seeking to take advantage of any other law providing for the relief of debtors, (vii) acquiesce to, or fail to have dismissed, within thirty (30) days, any petition filed against it in any involuntary case under such bankruptcy laws, or (viii) take any action for the purpose of effecting any of the foregoing;

10.8. Reserved.

10.9. Lien Priority. Any Lien created hereunder or provided for hereby or under any related agreement for any reason ceases to be or is not a valid and perfected Lien having a first priority interest (subject only to Permitted Encumbrances that have priority as a matter of Applicable Law to the extent such Liens only attach to Collateral other than Receivables or Inventory);

10.10. Affiliate Cross Default. Either (x) any specified “event of default” under any Indebtedness of any Affiliate of any Borrower with a then-outstanding principal balance (or, in the case of any Indebtedness not so denominated, with a then-outstanding total obligation amount) of \$250,000 or more, or any other event or circumstance which would permit the holder of any such Indebtedness of any Affiliate of any Borrower to accelerate such Indebtedness (and/or the obligations of any Affiliate of any Borrower thereunder) prior to the scheduled maturity or termination thereof, shall occur (regardless of whether the holder of such Indebtedness shall actually accelerate, terminate or otherwise exercise any rights or remedies with respect to such Indebtedness) or (y) a default of the obligations of any Affiliate of any Borrower under any other agreement to which it is a party shall occur which has or is reasonably likely to have a Material Adverse Effect;

10.11. Cross Default. Either (x) any specified “event of default” under any Indebtedness (other than the Obligations) of any Borrower with a then-outstanding principal balance (or, in the case of any Indebtedness not so denominated, with a then-outstanding total obligation amount) of \$500,000 or more, or any other event or circumstance which would permit the holder of any such Indebtedness of any Borrower to accelerate such Indebtedness (and/or the obligations of Borrower thereunder) prior to the scheduled maturity or termination thereof, shall occur (regardless of whether the holder of such Indebtedness shall actually accelerate, terminate or otherwise exercise any rights or remedies with respect to such Indebtedness) or (y) a default of the obligations of any Borrower under any other agreement to which it is a party shall occur which has or is reasonably likely to have a Material Adverse Effect;

10.12. Breach of Guaranty or Pledge Agreement. Termination or breach of any Guaranty, Guarantor Security Agreement, Pledge Agreement or similar agreement executed and delivered to Agent in connection with the Obligations of any Borrower, or if any Guarantor or pledgor attempts to terminate, challenges the validity of, or its liability under, any such Guaranty, Guarantor Security Agreement, Pledge Agreement or similar agreement;

10.13. Change of Control. Any Change of Control shall occur;

10.14. Invalidity. Any material provision of this Agreement or any Other Document shall, for any reason, cease to be valid and binding on any Borrower or any Guarantor, or any Borrower or any Guarantor shall so claim in writing to Agent or any Lender or any Borrower challenges the validity of or its liability under this Agreement or any Other Document;

10.15. Seizures. Any (a) portion of the Collateral shall be seized, subject to garnishment or taken by a Governmental Body, or any Borrower or any Guarantor, or (b) the title and rights of any Borrower, Holdings or any Guarantor which is the owner of any material portion of the Collateral shall have become the subject matter of claim, litigation, suit, garnishment or other proceeding which might, in the opinion of Agent, upon final determination, result in impairment or loss of the security provided by this Agreement or the Other Documents;



10.16. Operations. The operations of any Borrower's or any Guarantor's facility are interrupted (other than in connection with any regularly scheduled shutdown for employee vacations and/or maintenance in the Ordinary Course of Business) at any time for more than four (4) consecutive days, unless such Borrower or Guarantor shall (i) be entitled to receive for such period of interruption, proceeds of business interruption insurance sufficient to assure that its per diem cash needs during such period is at least equal to its average per diem cash needs for the consecutive three month period immediately preceding the initial date of interruption and (ii) receive such proceeds in the amount described in clause (i) preceding not later than thirty (30) days following the initial date of any such interruption; provided, however, that notwithstanding the provisions of clauses (i) and (ii) of this section, an Event of Default shall be deemed to have occurred if such Borrower or Guarantor shall be receiving the proceeds of business interruption insurance for a period of thirty (30) consecutive days;

10.17. Pension Plans. An event or condition specified in Sections 7.16 or 9.15 hereof shall occur or exist with respect to any Plan and, as a result of such event or condition, together with all other such events or conditions, any Borrower or any member of the Controlled Group shall incur, or in the opinion of Agent be reasonably likely to incur, a liability to a Plan or the PBGC (or both) which, in the reasonable judgment of Agent, would have a Material Adverse Effect; or the occurrence of any Termination Event, or any Borrower's failure to promptly report a Termination Event in accordance with Section 9.15 hereof; or

10.18. Anti-Terrorism Laws. If (i) any representation or warranty contained in (x) Section 16.18 hereof or (y) any corresponding section of any Guaranty is or becomes false or misleading at any time, (ii) any Borrower shall fail to comply with its obligations under Section 16.18 hereof, or (iii) any Guarantor shall fail to comply with its obligations under any section of any Guaranty containing provisions comparable to those set forth in Section 16.18 hereof.

## XI. LENDERS' RIGHTS AND REMEDIES AFTER DEFAULT.

### 11.1. Rights and Remedies.

(a) Upon the occurrence of: (i) an Event of Default pursuant to Section 10.7 (other than Section 10.7(vii)), all Obligations shall be immediately due and payable and this Agreement and the obligation of Lenders to make Advances shall be deemed terminated, (ii) any of the other Events of Default and at any time thereafter, at the option of Agent or at the direction of Required Lenders all Obligations shall be immediately due and payable and Agent or Required Lenders shall have the right to terminate this Agreement and to terminate the obligation of Lenders to make Advances; and (iii) without limiting Section 8.2 hereof, any Default under Sections 10.7(vii) hereof, the obligation of Lenders to make Advances hereunder shall be suspended until such time as such involuntary petition shall be dismissed. Upon the occurrence of any Event of Default, Agent shall have the right to exercise any and all rights and remedies provided for herein, under the Other Documents, under the Uniform Commercial Code and at law or equity generally, including the right to foreclose the security interests granted herein and to realize upon any Collateral by any available judicial procedure and/or to take possession of and sell any or all of the Collateral with or without judicial process. Agent may enter any of any Borrower's premises or other premises without legal process and without incurring liability to any Borrower therefor, and Agent may thereupon, or at any time thereafter, in its discretion without notice or demand, take the Collateral and remove the same to such place as Agent may deem advisable and Agent may require Borrowers to make the Collateral available to Agent at a convenient place. With or without having the Collateral at the time or place of sale, Agent may sell the Collateral, or any part thereof, at public or private sale, at any time or place, in one or more sales, at such price or prices, and upon such terms, either for cash, credit or future delivery, as Agent may elect. Except as to that part of the Collateral which is perishable or threatens to decline speedily in value or is of a type customarily sold on a recognized market, Agent shall give Borrowers reasonable notification of such sale or sales, it being agreed that in all events written notice mailed to Borrowing Agent at least ten (10) days prior to such sale or sales is reasonable notification. At any public sale Agent or any Lender may bid (including credit bid) for and become the purchaser, and Agent, any Lender or any other purchaser at any such sale thereafter shall hold the Collateral sold absolutely free from any claim or right of whatsoever kind, including any equity of redemption and all such claims, rights and equities are hereby expressly waived and released by each Borrower. In connection with the exercise of the foregoing remedies, including the sale of Inventory, Agent is granted a perpetual nonrevocable, royalty free, nonexclusive license and Agent is granted permission to use all of each Borrower's (a) Intellectual Property which is used or useful in connection with Inventory for the purpose of marketing, advertising for sale and selling or otherwise disposing of such Inventory and (b) equipment for the purpose of completing the manufacture of unfinished goods. The cash proceeds realized from the sale of any Collateral shall be applied to the Obligations in the order set forth in Section 11.5 hereof. Noncash proceeds will only be applied to the Obligations as they are converted into cash. If any deficiency shall arise, Borrowers shall remain liable to Agent and Lenders therefor.

(b) To the extent that Applicable Law imposes duties on Agent to exercise remedies in a commercially reasonable manner, each Borrower acknowledges and agrees that it is not commercially unreasonable for Agent: (i) to fail to incur expenses reasonably deemed significant by Agent to prepare Collateral for disposition or otherwise to complete raw material or work in process into finished goods or other finished products for disposition; (ii) to fail to obtain third party consents for access to Collateral to be disposed of, or to obtain or, if not required by other law, to fail to obtain governmental or third party consents for the collection or disposition of Collateral to be collected or disposed of; (iii) to fail to exercise collection remedies against Customers or other Persons obligated on Collateral or to remove Liens on or any adverse claims against Collateral; (iv) to exercise collection remedies against Customers and other Persons obligated on Collateral directly or through the use of collection agencies and other collection specialists; (v) to advertise dispositions of Collateral through publications or media of general circulation, whether or not the Collateral is of a specialized nature; (vi) to contact other Persons, whether or not in the same business as any Borrower, for expressions of interest in acquiring all or any portion of such Collateral; (vii) to hire one or more professional auctioneers to assist in the disposition of Collateral, whether or not the Collateral is of a specialized nature; (viii) to dispose of Collateral by utilizing internet sites that provide for the auction of assets of the types included in the Collateral or that have the reasonable capacity of doing so, or that match buyers and sellers of assets; (ix) to dispose of assets in wholesale rather than retail markets; (x) to disclaim disposition warranties, such as title, possession or quiet enjoyment, (xi) to purchase insurance or credit enhancements to insure Agent against risks of loss, collection or disposition of Collateral or to provide to Agent a guaranteed return from the collection or disposition of Collateral; or (xii) to the extent deemed appropriate by the Agent, to obtain the services of other brokers, investment bankers, consultants and other professionals to assist Agent in the collection or disposition of any of the Collateral. Each Borrower acknowledges that the purpose of this Section 11.1(b) is to provide non-exhaustive indications of what actions or omissions by Agent would not be commercially unreasonable in Agent's exercise of remedies against the Collateral and that other actions or omissions by Agent shall not be deemed commercially unreasonable solely on account of not being indicated in this Section 11.1(b). Without limitation upon the foregoing, nothing contained in this Section 11.1(b) shall be construed to grant any rights to any Borrower or to impose any duties on Agent that would not have been granted or imposed by this Agreement or by Applicable Law in the absence of this Section 11.1(b).

11.2. Agent's Discretion. Agent shall have the right in its sole discretion to determine which rights, Liens, security interests or remedies Agent may at any time pursue, relinquish, subordinate, or modify, which procedures, timing and methodologies to employ, and what any other action to take with respect to any or all of the Collateral and in what order, thereto and such determination will not in any way modify or affect any of Agent's or Lenders' rights hereunder as against Borrowers or each other.

11.3. Setoff. Subject to Section 14.13, in addition to any other rights which Agent or any Lender may have under Applicable Law, upon the occurrence of an Event of Default hereunder, Agent and such Lender shall have a right, immediately and without notice of any kind, to apply any Borrower's property held by Agent and such Lender or any of their Affiliates to reduce the Obligations and to exercise any and all rights of setoff which may be available to Agent and such Lender with respect to any deposits held by Agent or such Lender.

11.4. Rights and Remedies not Exclusive. The enumeration of the foregoing rights and remedies is not intended to be exhaustive and the exercise of any rights or remedy shall not preclude the exercise of any other right or remedies provided for herein or otherwise provided by law, all of which shall be cumulative and not alternative.

11.5. Allocation of Payments After Event of Default. Notwithstanding any other provisions of this Agreement to the contrary, after the occurrence and during the continuance of an Event of Default, all amounts collected or received by Agent on account of the Obligations (including without limitation any amounts on account of any of Cash Management Liabilities or Hedge Liabilities), or in respect of the Collateral may, at Agent's discretion, be paid over or delivered as follows:

FIRST, to the payment of all reasonable out-of-pocket costs and expenses (including reasonable attorneys' fees) of Agent in connection with enforcing its rights and the rights of Lenders under this Agreement and the Other Documents, and any Out-of-Formula Loans and Protective Advances funded by Agent with respect to the Collateral under or pursuant to the terms of this Agreement;

SECOND, to payment of any fees owed to Agent;

THIRD, to the payment of all reasonable out-of-pocket costs and expenses (including reasonable attorneys' fees) of each of the Lenders to the extent owing to such Lender pursuant to the terms of this Agreement;

FOURTH, to the payment of all of the Obligations consisting of accrued interest on account of the Swing Loans;

FIFTH, to the payment of the outstanding principal amount of the Obligations consisting of Swing Loans;

SIXTH, to the payment of all Obligations arising under this Agreement and the Other Documents consisting of accrued fees and interest (other than interest in respect of Swing Loans paid pursuant to clause FOURTH above);

SEVENTH, to the payment of the outstanding principal amount of the Obligations (other than principal in respect of Swing Loans paid pursuant to clause FIFTH above) arising under this Agreement (including Cash Management Liabilities and Hedge Liabilities) (including the payment or cash collateralization of any outstanding Letters of Credit in accordance with Section 3.2(b) hereof).

EIGHTH, to all other Obligations arising under this Agreement which shall have become due and payable (hereunder, under the Other Documents or otherwise) and not repaid pursuant to clauses "FIRST" through "SEVENTH" above;

NINTH, to all other Obligations which shall have become due and payable and not repaid pursuant to clauses "FIRST" through "EIGHTH"; and

TENTH, to the payment of the surplus, if any, to whoever may be lawfully entitled to receive such surplus.

In carrying out the foregoing, (i) amounts received shall be applied in the numerical order provided until exhausted prior to application to the next succeeding category; (ii) each of the Lenders shall receive (so long as it is not a Defaulting Lender) an amount equal to its pro rata share (based on the proportion that the then outstanding Advances, Cash Management Liabilities and Hedge Liabilities held by such Lender bears to the aggregate then outstanding Advances, Cash Management Liabilities and Hedge Liabilities) of amounts available to be applied pursuant to clauses "SIXTH", "SEVENTH", "EIGHTH" and "TENTH" above; and (iii) notwithstanding anything to the contrary in this Section 11.5, no Swap Obligations of any Non-Qualifying Party shall be paid with amounts received from such Non-Qualifying Party under its Guaranty (including sums received as a result of the exercise of remedies with respect to such Guaranty) or from the proceeds of such Non-Qualifying Party's Collateral if such Swap Obligations would constitute Excluded Hedge Liabilities, provided, however, that to the extent possible appropriate adjustments shall be made with respect to payments and/or the proceeds of Collateral from other Borrowers and/or Guarantors that are Eligible Contract Participants with respect to such Swap Obligations to preserve the allocation to Obligations otherwise set forth above in this Section 11.5; and (iv) to the extent that any amounts available for distribution pursuant to clause "SEVENTH" above are attributable to the issued but undrawn amount of outstanding Letters of Credit, such amounts shall be held by Agent as cash collateral for the Letters of Credit pursuant to Section 3.2(b) hereof and applied (A) first, to reimburse Issuer from time to time for any drawings under such Letters of Credit and (B) then, following the expiration of all Letters of Credit, to all other obligations of the types described in clauses "SEVENTH," "EIGHTH", and "TENTH" above in the manner provided in this Section 11.5.

XII. WAIVERS AND JUDICIAL PROCEEDINGS.

12.1. Waiver of Notice. Each Borrower hereby waives notice of non-payment of any of the Receivables, demand, presentment, protest and notice thereof with respect to any and all instruments, notice of acceptance hereof, notice of loans or advances made, credit extended, Collateral received or delivered, or any other action taken in reliance hereon, and all other demands and notices of any description, except such as are expressly provided for herein.

12.2. Delay. No delay or omission on Agent's or any Lender's part in exercising any right, remedy or option shall operate as a waiver of such or any other right, remedy or option or of any Default or Event of Default.

12.3. Jury Waiver. EACH PARTY TO THIS AGREEMENT HEREBY EXPRESSLY WAIVES ANY RIGHT TO TRIAL BY JURY OF ANY CLAIM, COUNTERCLAIM, DEMAND, ACTION OR CAUSE OF ACTION (A) ARISING UNDER THIS AGREEMENT, ANY OTHER DOCUMENT OR ANY OTHER INSTRUMENT, DOCUMENT OR AGREEMENT EXECUTED OR DELIVERED IN CONNECTION HEREWITH, OR (B) IN ANY WAY CONNECTED WITH OR RELATED OR INCIDENTAL TO THE DEALINGS OF THE PARTIES HERETO OR ANY OF THEM WITH RESPECT TO THIS AGREEMENT, ANY OTHER DOCUMENT OR ANY OTHER INSTRUMENT, DOCUMENT OR AGREEMENT EXECUTED OR DELIVERED IN CONNECTION HEREWITH, OR THE TRANSACTIONS RELATED HERETO OR THERETO IN EACH CASE WHETHER NOW EXISTING OR HEREAFTER ARISING, AND WHETHER SOUNDING IN CONTRACT OR TORT OR OTHERWISE AND EACH PARTY HEREBY CONSENTS THAT ANY SUCH CLAIM, COUNTERCLAIM, DEMAND, ACTION OR CAUSE OF ACTION SHALL BE DECIDED BY COURT TRIAL WITHOUT A JURY, AND THAT ANY PARTY TO THIS AGREEMENT MAY FILE AN ORIGINAL COUNTERPART OR A COPY OF THIS SECTION WITH ANY COURT AS WRITTEN EVIDENCE OF THE CONSENTS OF THE PARTIES HERETO TO THE WAIVER OF THEIR RIGHT TO TRIAL BY JURY.

XIII. EFFECTIVE DATE AND TERMINATION.

13.1. Term. This Agreement, which shall inure to the benefit of and shall be binding upon the respective successors and permitted assigns of each Borrower, Agent and each Lender, shall become effective on the date hereof and shall continue in full force and effect until November 7, 2016 (the "Term") unless sooner terminated as herein provided. Borrowers may terminate this Agreement at any time upon sixty (60) days prior written notice to Agent upon payment in full of the Obligations. In the event the Obligations are prepaid in full (whether voluntary or involuntary, including after acceleration thereof) and this Agreement is terminated prior to the last day of the Term (the date of such prepayment hereinafter referred to as the "Early Termination Date"), Borrowers shall concurrently pay to Agent for the benefit of Lenders an early termination fee in an amount equal to (x) one half of one percent (0.50%) of the Maximum Loan Amount if the Early Termination Date occurs on or after the Closing Date to and including the second anniversary of the Closing Date, and (y) zero percent (0.00%) of the Maximum Loan Amount if the Early Termination Date occurs on or after the date immediately following the second anniversary of the Closing Date; provided, however, that if the Obligations are prepaid in full in connection with a refinancing provided by a division of PNC, no early termination fee shall be due upon the Early Termination Date.

13.2. Termination. The termination of the Agreement shall not affect Agent's or any Lender's rights, or any of the Obligations having their inception prior to the effective date of such termination or any Obligations which pursuant to the terms hereof continue to accrue after such date, and the provisions hereof shall continue to be fully operative until all transactions entered into, rights or interests created and Obligations have been fully and indefeasibly paid, disposed of, concluded or liquidated. The security interests, Liens and rights granted to Agent and Lenders hereunder and the financing statements filed hereunder shall continue in full force and effect, notwithstanding the termination of this Agreement or the fact that Borrowers' Account may from time to time be temporarily in a zero or credit position, until all of the Obligations of each Borrower have been indefeasibly paid and performed in full after the termination of this Agreement or each Borrower has furnished Agent and Lenders with an indemnification satisfactory to Agent and Lenders with respect thereto. Accordingly, each Borrower waives any rights which it may have under the Uniform Commercial Code to demand the filing of termination statements with respect to the Collateral, and Agent shall not be required to send such termination statements to each Borrower, or to file them with any filing office, unless and until this Agreement shall have been terminated in accordance with its terms and all Obligations have been indefeasibly paid in full in immediately available funds. All representations, warranties, covenants, waivers and agreements contained herein shall survive termination hereof until all Obligations are indefeasibly paid and performed in full.

XIV. REGARDING AGENT.

14.1. Appointment. Each Lender hereby designates PNC to act as Agent for such Lender under this Agreement and the Other Documents. Each Lender hereby irrevocably authorizes Agent to take such action on its behalf under the provisions of this Agreement and the Other Documents and to exercise such powers and to perform such duties hereunder and thereunder as are specifically delegated to or required of Agent by the terms hereof and thereof and such other powers as are reasonably incidental thereto and Agent shall hold all Collateral, payments of principal and interest, fees (except the fees set forth in Sections 2.8(b), 3.3(a) and 3.4), charges and collections received pursuant to this Agreement, for the ratable benefit of Lenders. Agent may perform any of its duties hereunder by or through its agents or employees. As to any matters not expressly provided for by this Agreement (including collection of the Note) Agent shall not be required to exercise any discretion or take any action, but shall be required to act or to refrain from acting (and shall be fully protected in so acting or refraining from acting) upon the instructions of Required Lenders, and such instructions shall be binding; provided, however, that Agent shall not be required to take any action which, in Agent's discretion, exposes Agent to liability or which is contrary to this Agreement or the Other Documents or Applicable Law unless Agent is furnished with an indemnification reasonably satisfactory to Agent with respect thereto.

14.2. Nature of Duties. Agent shall have no duties or responsibilities except those expressly set forth in this Agreement and the Other Documents. Neither Agent nor any of its officers, directors, employees or agents shall be (i) liable for any action taken or omitted by them as such hereunder or in connection herewith, unless caused by their gross (not mere) negligence or willful misconduct (as determined by a court of competent jurisdiction in a final non-appealable judgment), or (ii) responsible in any manner for any recitals, statements, representations or warranties made by any Borrower or any officer thereof contained in this Agreement, or in any of the Other Documents or in any certificate, report, statement or other document referred to or provided for in, or received by Agent under or in connection with, this Agreement or any of the Other Documents or for the value, validity, effectiveness, genuineness, due execution, enforceability or sufficiency of this Agreement, or any of the Other Documents or for any failure of any Borrower to perform its obligations hereunder. Agent shall not be under any obligation to any Lender to ascertain or to inquire as to the observance or performance of any of the agreements contained in, or conditions of, this Agreement or any of the Other Documents, or to inspect the properties, books or records of any Borrower. The duties of Agent as respects the Advances to Borrowers shall be mechanical and administrative in nature; Agent shall not have by reason of this Agreement a fiduciary relationship in respect of any Lender; and nothing in this Agreement, expressed or implied, is intended to or shall be so construed as to impose upon Agent any obligations in respect of this Agreement or the transactions described herein except as expressly set forth herein.

14.3. Lack of Reliance on Agent. Independently and without reliance upon Agent or any other Lender, each Lender has made and shall continue to make (i) its own independent investigation of the financial condition and affairs of each Borrower and each Guarantor in connection with the making and the continuance of the Advances hereunder and the taking or not taking of any action in connection herewith, and (ii) its own appraisal of the creditworthiness of each Borrower and each Guarantor. Agent shall have no duty or responsibility, either initially or on a continuing basis, to provide any Lender with any credit or other information with respect thereto, whether coming into its possession before making of the Advances or at any time or times thereafter except as shall be provided by any Borrower pursuant to the terms hereof. Agent shall not be responsible to any Lender for any recitals, statements, information, representations or warranties herein or in any agreement, document, certificate or a statement delivered in connection with or for the execution, effectiveness, genuineness, validity, enforceability, collectability or sufficiency of this Agreement or any Other Document, or of the financial condition of any Borrower or any Guarantor, or be required to make any inquiry concerning either the performance or observance of any of the terms, provisions or conditions of this Agreement, the Note, the Other Documents or the financial condition or prospects of any Borrower, or the existence of any Event of Default or any Default.

14.4. Resignation of Agent; Successor Agent. Agent may resign on sixty (60) days written notice to each Lender and Borrowing Agent and upon such resignation, Required Lenders will promptly designate a successor Agent reasonably satisfactory to Borrowers (provided that no such approval by Borrowers shall be required (i) in any case where the successor Agent is one of the Lenders or (ii) after the occurrence and during the continuance of any Event of Default). Any such successor Agent shall succeed to the rights, powers and duties of Agent, and shall in particular succeed to all of Agent's right, title and interest in and to all of the Liens in the Collateral securing the Obligations created hereunder or any Other Document (including any Pledge Agreement and all account control agreements), and the term "Agent" shall mean such successor agent effective upon its appointment, and the former Agent's rights, powers and duties as Agent shall be terminated, without any other or further act or deed on the part of such former Agent. However, notwithstanding the foregoing, if at the time of the effectiveness of the new Agent's appointment, any further actions need to be taken in order to provide for the legally binding and valid transfer of any Liens in the Collateral from former Agent to new Agent and/or for the perfection of any Liens in the Collateral as held by new Agent or it is otherwise not then possible for new Agent to become the holder of a fully valid, enforceable and perfected Lien as to any of the Collateral, former Agent shall continue to hold such Liens solely as agent for perfection of such Liens on behalf of new Agent until such time as new Agent can obtain a fully valid, enforceable and perfected Lien on all Collateral, provided that Agent shall not be required to or have any liability or responsibility to take any further actions after such date as such agent for perfection to continue the perfection of any such Liens (other than to forego from taking any affirmative action to release any such Liens). After any Agent's resignation as Agent, the provisions of this Article XIV, and any indemnification rights under this Agreement, including without limitation, rights arising under Section 16.5 hereof, shall inure to its benefit as to any actions taken or omitted to be taken by it while it was Agent under this Agreement (and in the event resigning Agent continues to hold any Liens pursuant to the provisions of the immediately preceding sentence, the provisions of this Article XIV and any indemnification rights under this Agreement, including without limitation, rights arising under Section 16.5 hereof, shall inure to its benefit as to any actions taken or omitted to be taken by it in connection with such Liens).

14.5. Certain Rights of Agent. If Agent shall request instructions from Lenders with respect to any act or action (including failure to act) in connection with this Agreement or any Other Document, Agent shall be entitled to refrain from such act or taking such action unless and until Agent shall have received instructions from Required Lenders; and Agent shall not incur liability to any Person by reason of so refraining. Without limiting the foregoing, Lenders shall not have any right of action whatsoever against Agent as a result of its acting or refraining from acting hereunder in accordance with the instructions of Required Lenders.

14.6. Reliance. Agent shall be entitled to rely, and shall be fully protected in relying, upon any note, writing, resolution, notice, statement, certificate, email, facsimile, telex, teletype or telecopier message, cablegram, order or other document or telephone message believed by it to be genuine and correct and to have been signed, sent or made by the proper person or entity, and, with respect to all legal matters pertaining to this Agreement and the Other Documents and its duties hereunder, upon advice of counsel selected by it. Agent may employ agents and attorneys-in-fact and shall not be liable for the default or misconduct of any such agents or attorneys-in-fact selected by Agent with reasonable care.

14.7. Notice of Default. Agent shall not be deemed to have knowledge or notice of the occurrence of any Default or Event of Default hereunder or under the Other Documents, unless Agent has received notice from a Lender or Borrowing Agent referring to this Agreement or the Other Documents, describing such Default or Event of Default and stating that such notice is a "notice of default". In the event that Agent receives such a notice, Agent shall give notice thereof to Lenders. Agent shall take such action with respect to such Default or Event of Default as shall be reasonably directed by Required Lenders; provided, that, unless and until Agent shall have received such directions, Agent may (but shall not be obligated to) take such action, or refrain from taking such action, with respect to such Default or Event of Default as it shall deem advisable in the best interests of Lenders.



14.8. Indemnification. To the extent Agent is not reimbursed and indemnified by Borrowers, each Lender will reimburse and indemnify Agent in proportion to its respective portion of the outstanding Advances and its respective Participation Commitments in the outstanding Letters of Credit and outstanding Swing Loans (or, if no Advances are outstanding, pro rata according to the percentage that its Revolving Commitment Amount constitutes of the total aggregate Revolving Commitment Amounts), from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever which may be imposed on, incurred by or asserted against Agent in performing its duties hereunder, or in any way relating to or arising out of this Agreement or any Other Document; provided that Lenders shall not be liable for any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements resulting from Agent's gross (not mere) negligence or willful misconduct (as determined by a court of competent jurisdiction in a final non-appealable judgment).

14.9. Agent in its Individual Capacity. With respect to the obligation of Agent to lend under this Agreement, the Advances made by it shall have the same rights and powers hereunder as any other Lender and as if it were not performing the duties as Agent specified herein; and the term "Lender" or any similar term shall, unless the context clearly otherwise indicates, include Agent in its individual capacity as a Lender. Agent may engage in business with any Borrower as if it were not performing the duties specified herein, and may accept fees and other consideration from any Borrower for services in connection with this Agreement or otherwise without having to account for the same to Lenders.

14.10. Delivery of Documents. To the extent Agent receives financial statements required under Sections 9.7, 9.8, 9.9, 9.12 and 9.13 or Borrowing Base Certificates from any Borrower pursuant to the terms of this Agreement which any Borrower is not obligated to deliver to each Lender, Agent will promptly furnish such documents and information to Lenders.

14.11. Borrowers' Undertaking to Agent. Without prejudice to their respective obligations to Lenders under the other provisions of this Agreement, each Borrower hereby undertakes with Agent to pay to Agent from time to time on demand all amounts from time to time due and payable by it for the account of Agent or Lenders or any of them pursuant to this Agreement to the extent not already paid. Any payment made pursuant to any such demand shall pro tanto satisfy the relevant Borrower's obligations to make payments for the account of Lenders or the relevant one or more of them pursuant to this Agreement.

14.12. No Reliance on Agent's Customer Identification Program. To the extent the Advances or this Agreement is, or becomes, syndicated in cooperation with other Lenders, each Lender acknowledges and agrees that neither such Lender, nor any of its Affiliates, participants or assignees, may rely on Agent to carry out such Lender's, Affiliate's, participant's or assignee's customer identification program, or other obligations required or imposed under or pursuant to the USA PATRIOT Act or the regulations thereunder, including the regulations contained in 31 CFR 103.121 (as hereafter amended or replaced, the "CIP Regulations"), or any other Anti-Terrorism Law, including any programs involving any of the following items relating to or in connection with any of Borrowers, their Affiliates or their agents, the Other Documents or the transactions hereunder or contemplated hereby: (i) any identity verification procedures, (ii) any recordkeeping, (iii) comparisons with government lists, (iv) customer notices or (v) other procedures required under the CIP Regulations or such Anti-Terrorism Laws.

14.13. Other Agreements. Each of the Lenders agrees that it shall not, without the express consent of Agent, and that it shall, to the extent it is lawfully entitled to do so, upon the request of Agent, set off against the Obligations, any amounts owing by such Lender to any Borrower or any deposit accounts of any Borrower now or hereafter maintained with such Lender. Anything in this Agreement to the contrary notwithstanding, each of the Lenders further agrees that it shall not, unless specifically requested to do so by Agent, take any action to protect or enforce its rights arising out of this Agreement or the Other Documents, it being the intent of Lenders that any such action to protect or enforce rights under this Agreement and the Other Documents shall be taken in concert and at the direction or with the consent of Agent or Required Lenders.

XV. BORROWING AGENCY.

15.1. Borrowing Agency Provisions.

(a) Each Borrower hereby irrevocably designates Borrowing Agent to be its attorney and agent and in such capacity to (i) borrow, (ii) request advances, (iii) request the issuance of Letters of Credit, (iv) sign and endorse notes, (v) execute and deliver all instruments, documents, applications, security agreements, reimbursement agreements and letter of credit agreements for Letters of Credit and all other certificates, notice, writings and further assurances now or hereafter required hereunder, (vi) make elections regarding interest rates, (vii) give instructions regarding Letters of Credit and agree with Issuer upon any amendment, extension or renewal of any Letter of Credit and (viii) otherwise take action under and in connection with this Agreement and the Other Documents, all on behalf of and in the name such Borrower or Borrowers, and hereby authorizes Agent to pay over or credit all loan proceeds hereunder in accordance with the request of Borrowing Agent.

(b) The handling of this credit facility as a co-borrowing facility with a borrowing agent in the manner set forth in this Agreement is solely as an accommodation to Borrowers and at their request. Neither Agent nor any Lender shall incur liability to Borrowers as a result thereof. To induce Agent and Lenders to do so and in consideration thereof, each Borrower hereby indemnifies Agent and each Lender and holds Agent and each Lender harmless from and against any and all liabilities, expenses, losses, damages and claims of damage or injury asserted against Agent or any Lender by any Person arising from or incurred by reason of the handling of the financing arrangements of Borrowers as provided herein, reliance by Agent or any Lender on any request or instruction from Borrowing Agent or any other action taken by Agent or any Lender with respect to this Section 15.1 except due to willful misconduct or gross (not mere) negligence by the indemnified party (as determined by a court of competent jurisdiction in a final and non-appealable judgment).

(c) All Obligations shall be joint and several, and each Borrower shall make payment upon the maturity of the Obligations by acceleration or otherwise, and such obligation and liability on the part of each Borrower shall in no way be affected by any extensions, renewals and forbearance granted by Agent or any Lender to any Borrower, failure of Agent or any Lender to give any Borrower notice of borrowing or any other notice, any failure of Agent or any Lender to pursue or preserve its rights against any Borrower, the release by Agent or any Lender of any Collateral now or thereafter acquired from any Borrower, and such agreement by each Borrower to pay upon any notice issued pursuant thereto is unconditional and unaffected by prior recourse by Agent or any Lender to the other Borrowers or any Collateral for such Borrower's Obligations or the lack thereof. Each Borrower waives all suretyship defenses.

15.2. Waiver of Subrogation. Each Borrower expressly waives any and all rights of subrogation, reimbursement, indemnity, exoneration, contribution of any other claim which such Borrower may now or hereafter have against the other Borrowers or any other Person directly or contingently liable for the Obligations hereunder, or against or with respect to any other Borrowers' property (including, without limitation, any property which is Collateral for the Obligations), arising from the existence or performance of this Agreement, until termination of this Agreement and repayment in full of the Obligations.

XVI. MISCELLANEOUS.

16.1. Governing Law. This Agreement and each Other Document (unless and except to the extent expressly provided otherwise in any such Other Document), and all matters relating hereto or thereto or arising herefrom or therefrom (whether arising under contract law, tort law or otherwise) shall, in accordance with Section 5-1401 of the General Obligations Law of the State of New York, be governed by and construed in accordance with the laws of the State of New York. Any judicial proceeding brought by or against any Borrower with respect to any of the Obligations, this Agreement, the Other Documents or any related agreement may be brought in any court of competent jurisdiction in the State of New York, United States of America, and, by execution and delivery of this Agreement, each Borrower accepts for itself and in connection with its properties, generally and unconditionally, the non-exclusive jurisdiction of the aforesaid courts, and irrevocably agrees to be bound by any judgment rendered thereby in connection with this Agreement. Each Borrower hereby waives personal service of any and all process upon it and consents that all such service of process may be made by certified or registered mail (return receipt requested) directed to Borrowing Agent at its address set forth in Section 16.6 and service so made shall be deemed completed five (5) days after the same shall have been so deposited in the mails of the United States of America, or, at Agent's option, by service upon Borrowing Agent which each Borrower irrevocably appoints as such Borrower's Agent for the purpose of accepting service within the State of New York. Nothing herein shall affect the right to serve process in any manner permitted by law or shall limit the right of Agent or any Lender to bring proceedings against any Borrower in the courts of any other jurisdiction. Each Borrower waives any objection to jurisdiction and venue of any action instituted hereunder and shall not assert any defense based on lack of jurisdiction or venue or based upon forum non conveniens. Each Borrower waives the right to remove any judicial proceeding brought against such Borrower in any state court to any federal court. Any judicial proceeding by any Borrower against Agent or any Lender involving, directly or indirectly, any matter or claim in any way arising out of, related to or connected with this Agreement or any related agreement, shall be brought only in a federal or state court located in the County of New York, State of New York.

16.2. Entire Understanding.

(a) This Agreement and the documents executed concurrently herewith contain the entire understanding between each Borrower, Agent and each Lender and supersedes all prior agreements and understandings, if any, relating to the subject matter hereof. Any promises, representations, warranties or guarantees not herein contained and hereinafter made shall have no force and effect unless in writing, signed by each Borrower's, Agent's and each Lender's respective officers. Neither this Agreement nor any portion or provisions hereof may be changed, modified, amended, waived, supplemented, discharged, cancelled or terminated orally or by any course of dealing, or in any manner other than by an agreement in writing, signed by the party to be charged. Each Borrower acknowledges that it has been advised by counsel in connection with the execution of this Agreement and Other Documents and is not relying upon oral representations or statements inconsistent with the terms and provisions of this Agreement.

(b) Required Lenders, Agent with the consent in writing of Required Lenders, and Borrowers may, subject to the provisions of this Section 16.2(b), from time to time enter into written supplemental agreements to this Agreement or the Other Documents executed by Borrowers, for the purpose of adding or deleting any provisions or otherwise changing, varying or waiving in any manner the rights of Lenders, Agent or Borrowers thereunder or the conditions, provisions or terms thereof or waiving any Event of Default thereunder, but only to the extent specified in such written agreements; provided, however, that no such supplemental agreement shall:

- (i) increase the Revolving Commitment Percentage or the maximum dollar amount of the Revolving Commitment Amount of any Lender without the consent of such Lender directly affected thereby;
- (ii) whether or not any Advances are outstanding, extend the Term or the time for payment of principal or interest of any Advance (excluding the due date of any mandatory prepayment of an Advance), or any fee payable to any Lender, or reduce the principal amount of or the rate of interest borne by any Advances or reduce any fee payable to any Lender, without the consent of each Lender directly affected thereby (except that Required Lenders may elect to waive or rescind any imposition of the Default Rate under Section 3.1 or of default rates of Letter of Credit fees under Section 3.2 (unless imposed by Agent));
- (iii) increase the Maximum Revolving Advance Amount without the consent of all Lenders holding a Revolving Commitment;
- (iv) alter the definition of the term Required Lenders or alter, amend or modify this Section 16.2(b) without the consent of all Lenders;
- (v) alter, amend or modify the provisions of Section 11.5 without the consent of all Lenders;

(vi) release any Collateral during any calendar year (other than in accordance with the provisions of this Agreement) having an aggregate value in excess of \$1,000,000 without the consent of all Lenders;

(vii) change the rights and duties of Agent without the consent of all Lenders;

(viii) subject to clause (e) below, permit any Revolving Advance to be made if after giving effect thereto the total of Revolving Advances outstanding hereunder would exceed the Formula Amount for more than sixty (60) consecutive Business Days or exceed one hundred and ten percent (110%) of the Formula Amount without the consent of all Lenders holding a Revolving Commitment;

(ix) increase the Advance Rates above the Advance Rates in effect on the Closing Date without the consent of all Lenders holding a Revolving Commitment; or

(x) release any Guarantor or Borrower without the consent of all Lenders.

(c) Any such supplemental agreement shall apply equally to each Lender and shall be binding upon Borrowers, Lenders and Agent and all future holders of the Obligations. In the case of any waiver, Borrowers, Agent and Lenders shall be restored to their former positions and rights, and any Event of Default waived shall be deemed to be cured and not continuing, but no waiver of a specific Event of Default shall extend to any subsequent Event of Default (whether or not the subsequent Event of Default is the same as the Event of Default which was waived), or impair any right consequent thereon.

(d) In the event that Agent requests the consent of a Lender pursuant to this Section 16.2 and such consent is denied, then Agent may, at its option, require such Lender to assign its interest in the Advances to Agent or to another Lender or to any other Person designated by Agent (the "Designated Lender"), for a price equal to (i) the then outstanding principal amount thereof plus (ii) accrued and unpaid interest and fees due such Lender, which interest and fees shall be paid when collected from Borrowers. In the event Agent elects to require any Lender to assign its interest to Agent or to the Designated Lender, Agent will so notify such Lender in writing within forty five (45) days following such Lender's denial, and such Lender will assign its interest to Agent or the Designated Lender no later than five (5) days following receipt of such notice pursuant to a Commitment Transfer Supplement executed by such Lender, Agent or the Designated Lender, as appropriate, and Agent.

(e) Notwithstanding (i) the existence of a Default or an Event of Default, (ii) that any of the other applicable conditions precedent set forth in Section 8.2 hereof have not been satisfied or the commitments of Lenders to make Revolving Advances hereunder have been terminated for any reason, or (iii) any other contrary provision of this Agreement, Agent may at its discretion and without the consent of any Lender, voluntarily permit the outstanding Revolving Advances at any time to exceed the Formula Amount by up to ten percent (10%) of the Formula Amount for up to sixty (60) consecutive Business Days (the "Out-of-Formula Loans"). If Agent is willing in its sole and absolute discretion to permit such Out-of-Formula Loans, Lenders holding the Revolving Commitments shall be obligated to fund such Out-of-Formula Loans in accordance with their respective Revolving Commitment Percentages, and such Out-of-Formula Loans shall be payable on demand and shall bear interest at the Default Rate for Revolving Advances consisting of Domestic Rate Loans; provided that, if Agent does permit Out-of-Formula Loans, neither Agent nor Lenders shall be deemed thereby to have changed the limits of Section 2.1(a) nor shall any Lender be obligated to fund Revolving Advances in excess of its Revolving Commitment Amount. For purposes of this paragraph, the discretion granted to Agent hereunder shall not preclude involuntary overadvances that may result from time to time due to the fact that the Formula Amount was unintentionally exceeded for any reason, including, but not limited to, Collateral previously deemed to be either "Eligible Receivables" or "Eligible Unbilled Receivables", as applicable, becomes ineligible, collections of Receivables applied to reduce outstanding Revolving Advances are thereafter returned for insufficient funds or overadvances are made to protect or preserve the Collateral. In the event Agent involuntarily permits the outstanding Revolving Advances to exceed the Formula Amount by more than ten percent (10%), Agent shall use its efforts to have Borrowers decrease such excess in as expeditious a manner as is practicable under the circumstances and not inconsistent with the reason for such excess. Revolving Advances made after Agent has determined the existence of involuntary overadvances shall be deemed to be involuntary overadvances and shall be decreased in accordance with the preceding sentence. To the extent any Out-of-Formula Loans are not actually funded by the other Lenders as provided for in this Section 16.2(e), Agent may elect in its discretion to fund such Out-of-Formula Loans and any such Out-of-Formula Loans so funded by Agent shall be deemed to be Revolving Advances made by and owing to Agent, and Agent shall be entitled to all rights (including accrual of interest) and remedies of a Lender holding a Revolving Commitment under this Agreement and the Other Documents with respect to such Revolving Advances.

(f) In addition to (and not in substitution of) the discretionary Revolving Advances permitted above in this Section 16.2, Agent is hereby authorized by Borrowers and Lenders, at any time in Agent's sole discretion, regardless of (i) the existence of a Default or an Event of Default, (ii) whether any of the other applicable conditions precedent set forth in Section 8.2 hereof have not been satisfied or the commitments of Lenders to make Revolving Advances hereunder have been terminated for any reason, or (iii) any other contrary provision of this Agreement, to make Revolving Advances ("Protective Advances") to Borrowers on behalf of Lenders which Agent, in its reasonable business judgment, deems necessary or desirable (a) to preserve or protect the Collateral, or any portion thereof, (b) to enhance the likelihood of, or maximize the amount of, repayment of the Advances and other Obligations, or (c) to pay any other amount chargeable to Borrowers pursuant to the terms of this Agreement (the "Protective Advances"). Lenders holding the Revolving Commitments shall be obligated to fund such Protective Advances and effect a settlement with Agent therefor upon demand of Agent in accordance with their respective Revolving Commitment Percentages. To the extent any Protective Advances are not actually funded by the other Lenders as provided for in this Section 16.2(f), any such Protective Advances funded by Agent shall be deemed to be Revolving Advances made by and owing to Agent, and Agent shall be entitled to all rights (including accrual of interest) and remedies of a Lender holding a Revolving Commitment under this Agreement and the Other Documents with respect to such Revolving Advances.

16.3. Successors and Assigns; Participations; New Lenders.

(a) This Agreement shall be binding upon and inure to the benefit of Borrowers, Agent, each Lender, all future holders of the Obligations and their respective successors and assigns, except that no Borrower may assign or transfer any of its rights or obligations under this Agreement without the prior written consent of Agent and each Lender.

(b) Each Borrower acknowledges that in the regular course of commercial banking business one or more Lenders may at any time and from time to time sell participating interests in the Advances to other Persons (each such transferee or purchaser of a participating interest, a "Participant"). Each Participant may exercise all rights of payment (including rights of set-off) with respect to the portion of such Advances held by it or other Obligations payable hereunder as fully as if such Participant were the direct holder thereof provided that (i) Borrowers shall not be required to pay to any Participant more than the amount which it would have been required to pay to Lender which granted an interest in its Advances or other Obligations payable hereunder to such Participant had such Lender retained such interest in the Advances hereunder or other Obligations payable hereunder unless the sale of the participation to such Participant is made with Borrower's prior written consent, and (ii) in no event shall Borrowers be required to pay any such amount arising from the same circumstances and with respect to the same Advances or other Obligations payable hereunder to both such Lender and such Participant. Each Borrower hereby grants to any Participant a continuing security interest in any deposits, moneys or other property actually or constructively held by such Participant as security for the Participant's interest in the Advances.

(c) Any Lender, with the consent of Agent, may sell, assign or transfer all or any part of its rights and obligations under or relating to Revolving Advances under this Agreement and the Other Documents to one or more additional Persons and one or more additional Persons may commit to make Advances hereunder (each a "Purchasing Lender"), in minimum amounts of not less than \$5,000,000, pursuant to a Commitment Transfer Supplement, executed by a Purchasing Lender, the transferor Lender, and Agent and delivered to Agent for recording, provided, however, that each partial assignment shall be made as an assignment of a proportionate part of all the assigning Lender's rights and obligations under this Agreement with respect to each of the Revolving Advances under this Agreement in which such Lender has an interest. Upon such execution, delivery, acceptance and recording, from and after the transfer effective date determined pursuant to such Commitment Transfer Supplement, (i) Purchasing Lender thereunder shall be a party hereto and, to the extent provided in such Commitment Transfer Supplement, have the rights and obligations of a Lender thereunder with a Revolving Commitment Percentage as set forth therein, and (ii) the transferor Lender thereunder shall, to the extent provided in such Commitment Transfer Supplement, be released from its obligations under this Agreement, the Commitment Transfer Supplement creating a novation for that purpose. Such Commitment Transfer Supplement shall be deemed to amend this Agreement to the extent, and only to the extent, necessary to reflect the addition of such Purchasing Lender and the resulting adjustment of the Revolving Commitment Percentages arising from the purchase by such Purchasing Lender of all or a portion of the rights and obligations of such transferor Lender under this Agreement and the Other Documents. Each Borrower hereby consents to the addition of such Purchasing Lender and the resulting adjustment of the Revolving Commitment Percentages arising from the purchase by such Purchasing Lender of all or a portion of the rights and obligations of such transferor Lender under this Agreement and the Other Documents. Borrowers shall execute and deliver such further documents and do such further acts and things in order to effectuate the foregoing.

(d) Any Lender, with the consent of Agent which shall not be unreasonably withheld or delayed, may directly or indirectly sell, assign or transfer all or any portion of its rights and obligations under or relating to Revolving Advances under this Agreement and the Other Documents to an entity, whether a corporation, partnership, trust, limited liability company or other entity that (i) is engaged in making, purchasing, holding or otherwise investing in bank loans and similar extensions of credit in the ordinary course of its business and (ii) is administered, serviced or managed by the assigning Lender or an Affiliate of such Lender (a "Purchasing CLO" and together with each Participant and Purchasing Lender, each a "Transferee" and collectively the "Transferees"), pursuant to a Commitment Transfer Supplement modified as appropriate to reflect the interest being assigned ("Modified Commitment Transfer Supplement"), executed by any intermediate purchaser, the Purchasing CLO, the transferor Lender, and Agent as appropriate and delivered to Agent for recording. Upon such execution and delivery, from and after the transfer effective date determined pursuant to such Modified Commitment Transfer Supplement, (i) Purchasing CLO thereunder shall be a party hereto and, to the extent provided in such Modified Commitment Transfer Supplement, have the rights and obligations of a Lender thereunder and (ii) the transferor Lender thereunder shall, to the extent provided in such Modified Commitment Transfer Supplement, be released from its obligations under this Agreement, the Modified Commitment Transfer Supplement creating a novation for that purpose. Such Modified Commitment Transfer Supplement shall be deemed to amend this Agreement to the extent, and only to the extent, necessary to reflect the addition of such Purchasing CLO. Each Borrower hereby consents to the addition of such Purchasing CLO. Borrowers shall execute and deliver such further documents and do such further acts and things in order to effectuate the foregoing.

(e) Agent shall maintain at its address a copy of each Commitment Transfer Supplement and Modified Commitment Transfer Supplement delivered to it and a register (the "Register") for the recordation of the names and addresses of each Lender and the outstanding principal, accrued and unpaid interest and other fees due hereunder. The entries in the Register shall be conclusive, in the absence of manifest error, and each Borrower, Agent and Lenders may treat each Person whose name is recorded in the Register as the owner of the Advance recorded therein for the purposes of this Agreement. The Register shall be available for inspection by Borrowing Agent or any Lender at any reasonable time and from time to time upon reasonable prior notice. Agent shall receive a fee in the amount of \$3,500 payable by the applicable Purchasing Lender and/or Purchasing CLO upon the effective date of each transfer or assignment (other than to an intermediate purchaser) to such Purchasing Lender and/or Purchasing CLO.

(f) Each Borrower authorizes each Lender to disclose to any Transferee and any prospective Transferee any and all financial information in such Lender's possession concerning such Borrower which has been delivered to such Lender by or on behalf of such Borrower pursuant to this Agreement or in connection with such Lender's credit evaluation of such Borrower.



(g) Notwithstanding anything to the contrary contained in this Agreement, any Lender may at any time and from time to time pledge or assign a security interest in all or any portion of its rights under this Agreement to secure obligations of such Lender, including any pledge or assignment to secure obligations to a Federal Reserve Bank; provided that no such pledge or assignment shall release such Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto.

16.4. Application of Payments. Agent shall have the continuing and exclusive right to apply or reverse and re-apply any payment and any and all proceeds of Collateral to any portion of the Obligations. To the extent that any Borrower makes a payment or Agent or any Lender receives any payment or proceeds of the Collateral for any Borrower's benefit, which are subsequently invalidated, declared to be fraudulent or preferential, set aside or required to be repaid to a trustee, debtor in possession, receiver, custodian or any other party under any bankruptcy law, common law or equitable cause, then, to such extent, the Obligations or part thereof intended to be satisfied shall be revived and continue as if such payment or proceeds had not been received by Agent or such Lender.

16.5. Indemnity. Each Borrower shall defend, protect, indemnify, pay and save harmless Agent, Issuer, each Lender and each of their respective officers, directors, Affiliates, attorneys, employees and agents (each an "Indemnified Party") for and from and against any and all claims, demands, liabilities, obligations, losses, damages, penalties, fines, actions, judgments, suits, costs, charges, expenses and disbursements of any kind or nature whatsoever (including fees and disbursements of counsel (including allocated costs of internal counsel)) (collectively, "Claims") which may be imposed on, incurred by, or asserted against any Indemnified Party in arising out of or in any way relating to or as a consequence, direct or indirect, of: (i) this Agreement, the Other Documents, the Advances and other Obligations and/or the transactions contemplated hereby including the Transactions, (ii) any action or failure to act or action taken only after delay or the satisfaction of any conditions by any Indemnified Party in connection with and/or relating to the negotiation, execution, delivery or administration of the Agreement and the Other Documents, the credit facilities established hereunder and thereunder and/or the transactions contemplated hereby including the Transactions, (iii) any Borrower's or any Guarantor's failure to observe, perform or discharge any of its covenants, obligations, agreements or duties under or breach of any of the representations or warranties made in this Agreement and the Other Documents, (iv) the enforcement of any of the rights and remedies of Agent, Issuer or any Lender under the Agreement and the Other Documents, (v) any threatened or actual imposition of fines or penalties, or disgorgement of benefits, for violation of any Anti-Terrorism Law by any Borrower, any Affiliate or Subsidiary of any Borrowers, or any Guarantor, and (vi) any claim, litigation, proceeding or investigation instituted or conducted by any Governmental Body or instrumentality or any other Person with respect to any aspect of, or any transaction contemplated by, or referred to in, or any matter related to, this Agreement or the Other Documents, whether or not Agent or any Lender is a party thereto. Without limiting the generality of any of the foregoing, each Borrower shall defend, protect, indemnify, pay and save harmless each Indemnified Party from (x) any Claims which may be imposed on, incurred by, or asserted against any Indemnified Party arising out of or in any way relating to or as a consequence, direct or indirect, of the issuance of any Letter of Credit hereunder and (y) any Claims which may be imposed on, incurred by, or asserted against any Indemnified Party under any Environmental Laws with respect to or in connection with the Real Property, any Hazardous Discharge, the presence of any Hazardous Materials affecting the Real Property (whether or not the same originates or emerges from the Real Property or any contiguous real estate), including any Claims consisting of or relating to the imposition or assertion of any Lien on any of the Real Property under any Environmental Laws and any loss of value of the Real Property as a result of the foregoing except to the extent such loss, liability, damage and expense is attributable to any Hazardous Discharge resulting from actions on the part of Agent or any Lender. Borrowers' obligations under this Section 16.5 shall arise upon the discovery of the presence of any Hazardous Materials at the Real Property, whether or not any federal, state, or local environmental agency has taken or threatened any action in connection with the presence of any Hazardous Materials, in each such case except to the extent that any of the foregoing arises out of the gross negligence or willful misconduct of the Indemnified Party (as determined by a court of competent jurisdiction in a final and non-appealable judgment). Without limiting the generality of the foregoing, this indemnity shall extend to any liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses and disbursements of any kind or nature whatsoever (including fees and disbursements of counsel) asserted against or incurred by any of the Indemnified Parties by any Person under any Environmental Laws or similar laws by reason of any Borrower's or any other Person's failure to comply with laws applicable to solid or hazardous waste materials, including Hazardous Materials and Hazardous Waste, or other Toxic Substances. Additionally, if any taxes (excluding taxes imposed upon or measured solely by the net income of Agent and Lenders, but including any intangibles taxes, stamp tax, recording tax or franchise tax) shall be payable by Agent, Lenders or Borrowers on account of the execution or delivery of this Agreement, or the execution, delivery, issuance or recording of any of the Other Documents, or the creation or repayment of any of the Obligations hereunder, by reason of any Applicable Law now or hereafter in effect, Borrowers will pay (or will promptly reimburse Agent and Lenders for payment of) all such taxes, including interest and penalties thereon, and will indemnify and hold the Indemnified Parties harmless from and against all liability in connection therewith.

16.6. Notice. Any notice or request hereunder may be given to Borrowing Agent or any Borrower or to Agent or any Lender at their respective addresses set forth below or at such other address as may hereafter be specified in a notice designated as a notice of change of address under this Section. Any notice, request, demand, direction or other communication (for purposes of this Section 16.6 only, a "Notice") to be given to or made upon any party hereto under any provision of this Agreement shall be given or made by telephone or in writing (which includes by means of electronic transmission (i.e., "e-mail") or facsimile transmission or by setting forth such Notice on a website to which Borrowers are directed (an "Internet Posting") if Notice of such Internet Posting (including the information necessary to access such site) has previously been delivered to the applicable parties hereto by another means set forth in this Section 16.6) in accordance with this Section 16.6. Any such Notice must be delivered to the applicable parties hereto at the addresses and numbers set forth under their respective names on Section 16.6 hereof or in accordance with any subsequent unrevoked Notice from any such party that is given in accordance with this Section 16.6. Any Notice shall be effective:

- (a) In the case of hand-delivery, when delivered;
- (b) If given by mail, four (4) days after such Notice is deposited with the United States Postal Service, with first-class postage prepaid, return receipt requested;

(c) In the case of a telephonic Notice, when a party is contacted by telephone, if delivery of such telephonic Notice is confirmed no later than the next Business Day by hand delivery, a facsimile or electronic transmission, an Internet Posting or an overnight courier delivery of a confirmatory Notice (received at or before noon on such next Business Day);

(d) In the case of a facsimile transmission, when sent to the applicable party's facsimile machine's telephone number, if the party sending such Notice receives confirmation of the delivery thereof from its own facsimile machine;

(e) In the case of electronic transmission, when actually received;

(f) In the case of an Internet Posting, upon delivery of a Notice of such posting (including the information necessary to access such site) by another means set forth in this Section 16.6; and

(g) If given by any other means (including by overnight courier), when actually received.

Any Lender giving a Notice to Borrowing Agent or any Borrower shall concurrently send a copy thereof to Agent, and Agent shall promptly notify the other Lenders of its receipt of such Notice.

(A) If to Agent or PNC at:

PNC Bank, National Association  
1600 Market Street  
Philadelphia, PA 19103  
Attention: Jacqueline MacKenzie  
Telephone: 215- 585-2056  
Facsimile: 215- 585-4771

with a copy to:

Blank Rome LLP  
One Logan Square  
Philadelphia, PA 19103  
Attention: Michael C. Graziano, Esq.  
Telephone: 215-569-5387  
Facsimile: 215-832-5387

(B) If to a Lender other than Agent, as specified on the signature pages hereof

(C) If to Borrowing Agent or any Borrower:

TRG Customer Solutions, Inc. d/b/a IBEX Global Solutions  
1700 Pennsylvania Avenue, NW  
Washington, DC 20006  
Attention: Karl Gabel  
Telephone: 202-580-6052  
Facsimile: 817-299-8038

16.7. **Survival.** The obligations of Borrowers under Sections 2.2(f), 2.2(g), 2.2(h), 3.7, 3.8, 3.9, 3.10, 16.5 and 16.9 and the obligations of Lenders under Sections 2.2, 2.15(b), 2.16, 2.18, 2.19, 14.8 and 16.5, shall survive termination of this Agreement and the Other Documents and payment in full of the Obligations.

16.8. **Severability.** If any part of this Agreement is contrary to, prohibited by, or deemed invalid under Applicable Laws, such provision shall be inapplicable and deemed omitted to the extent so contrary, prohibited or invalid, but the remainder hereof shall not be invalidated thereby and shall be given effect so far as possible.

16.9. **Expenses.** Borrowers shall pay (i) all out-of-pocket expenses incurred by Agent and its Affiliates (including the reasonable fees, charges and disbursements of counsel for Agent), and shall pay all fees and time charges and disbursements for attorneys who may be employees of Agent, in connection with the syndication of the credit facilities provided for herein, the preparation, negotiation, execution, delivery and administration of this Agreement and the Other Documents or any amendments, modifications or waivers of the provisions hereof or thereof (whether or not the transactions contemplated hereby or thereby shall be consummated), (ii) all out-of-pocket expenses incurred by Issuer in connection with the issuance, amendment, renewal or extension of any Letter of Credit or any demand for payment thereunder, (iii) all out-of-pocket expenses incurred by Agent, any Lender or Issuer (including the fees, charges and disbursements of any counsel for Agent, any Lender or Issuer), and shall pay all fees and time charges for attorneys who may be employees of Agent, any Lender or Issuer, in connection with the enforcement or protection of its rights (A) in connection with this Agreement and the Other Documents, including its rights under this Section, or (B) in connection with the Advances made or Letters of Credit issued hereunder, including all such out-of-pocket expenses incurred during any workout, restructuring or negotiations in respect of such Loans or Letters of Credit, and (iv) all reasonable out-of-pocket expenses of Agent's regular employees and agents engaged periodically to perform audits of the any Borrower's or any Borrower's Affiliate's or Subsidiary's books, records and business properties.

16.10. **Injunctive Relief.** Each Borrower recognizes that, in the event any Borrower fails to perform, observe or discharge any of its obligations or liabilities under this Agreement, or threatens to fail to perform, observe or discharge such obligations or liabilities, any remedy at law may prove to be inadequate relief to Lenders; therefore, Agent, if Agent so requests, shall be entitled to temporary and permanent injunctive relief in any such case without the necessity of proving that actual damages are not an adequate remedy.

16.11. **Consequential Damages.** Neither Agent nor any Lender, nor any agent or attorney for any of them, shall be liable to any Borrower, or any Guarantor (or any Affiliate of any such Person) for indirect, punitive, exemplary or consequential damages arising from any breach of contract, tort or other wrong relating to the establishment, administration or collection of the Obligations or as a result of any transaction contemplated under this Agreement or any Other Document.

16.12. Captions. The captions at various places in this Agreement are intended for convenience only and do not constitute and shall not be interpreted as part of this Agreement.

16.13. Counterparts; Facsimile Signatures. This Agreement may be executed in any number of and by different parties hereto on separate counterparts, all of which, when so executed, shall be deemed an original, but all such counterparts shall constitute one and the same agreement. Any signature delivered by a party by facsimile or electronic transmission (including email transmission of a PDF image) shall be deemed to be an original signature hereto.

16.14. Construction. The parties acknowledge that each party and its counsel have reviewed this Agreement and that the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Agreement or any amendments, schedules or exhibits thereto.

16.15. Confidentiality; Sharing Information. Agent, each Lender and each Transferee shall hold all non-public information obtained by Agent, such Lender or such Transferee pursuant to the requirements of this Agreement or any Other Document in accordance with Agent's, such Lender's and such Transferee's customary procedures for handling confidential information of this nature; provided, however, Agent, each Lender and each Transferee may disclose such confidential information (a) to its examiners, Affiliates, outside auditors, counsel and other professional advisors, (b) to Agent, any Lender or to any prospective Transferees, and (c) as required or requested by any Governmental Body or representative thereof or pursuant to legal process; provided, further that (i) unless specifically prohibited by Applicable Law, Agent, each Lender and each Transferee shall use its reasonable best efforts prior to disclosure thereof, to notify the applicable Borrower of the applicable request for disclosure of such non-public information (A) by a Governmental Body or representative thereof (other than any such request in connection with an examination of the financial condition of a Lender or a Transferee by such Governmental Body) or (B) pursuant to legal process and (ii) in no event shall Agent, any Lender or any Transferee be obligated to return any materials furnished by any Borrower other than those documents and instruments in possession of Agent or any Lender in order to perfect its Lien on the Collateral once the Obligations have been paid in full and this Agreement has been terminated. Each Borrower acknowledges that from time to time financial advisory, investment banking and other services may be offered or provided to such Borrower or one or more of its Affiliates (in connection with this Agreement or otherwise) by any Lender or by one or more Subsidiaries or Affiliates of such Lender and each Borrower hereby authorizes each Lender to share any information delivered to such Lender by such Borrower and its Subsidiaries pursuant to this Agreement, or in connection with the decision of such Lender to enter into this Agreement, to any such Subsidiary or Affiliate of such Lender, it being understood that any such Subsidiary or Affiliate of any Lender receiving such information shall be bound by the provisions of this Section 16.15 as if it were a Lender hereunder. Such authorization shall survive the repayment of the other Obligations and the termination of this Agreement. Notwithstanding any non-disclosure agreement or similar document executed by Agent in favor of any Borrower or any of any Borrower's affiliates, the provisions of this Agreement shall supersede such agreements.

16.16. Publicity. Each Borrower and each Lender hereby authorizes Agent to make appropriate announcements of the financial arrangement entered into among Borrowers, Agent and Lenders, including announcements which are commonly known as tombstones, in such publications and to such selected parties as Agent shall in its sole and absolute discretion deem appropriate.

16.17. Certifications From Banks and Participants; USA PATRIOT Act.

(a) Each Lender or assignee or participant of a Lender that is not incorporated under the Laws of the United States of America or a state thereof (and is not excepted from the certification requirement contained in Section 313 of the USA PATRIOT Act and the applicable regulations because it is both (i) an affiliate of a depository institution or foreign bank that maintains a physical presence in the United States or foreign country, and (ii) subject to supervision by a banking authority regulating such affiliated depository institution or foreign bank) shall deliver to the Agent the certification, or, if applicable, recertification, certifying that such Lender is not a "shell" and certifying to other matters as required by Section 313 of the USA PATRIOT Act and the applicable regulations: (1) within ten (10) days after the Closing Date, and (2) as such other times as are required under the USA PATRIOT Act.

(b) The USA PATRIOT Act requires all financial institutions to obtain, verify and record certain information that identifies individuals or business entities which open an "account" with such financial institution. Consequently, Lender may from time to time request, and each Borrower shall provide to Lender, such Borrower's name, address, tax identification number and/or such other identifying information as shall be necessary for Lender to comply with the USA PATRIOT Act and any other Anti-Terrorism Law.

16.18. Anti-Terrorism Laws.

(a) Each Borrower represents and warrants that (i) no Covered Entity is a Sanctioned Person and (ii) no Covered Entity, either in its own right or through any third party, (A) has any of its assets in a Sanctioned Country or in the possession, custody or control of a Sanctioned Person in violation of any Anti-Terrorism Law; (B) does business in or with, or derives any of its income from investments in or transactions with, any Sanctioned Country or Sanctioned Person in violation of any Anti-Terrorism Law; or (C) engages in any dealings or transactions prohibited by any Anti-Terrorism Law.

(b) Each Borrower covenants and agrees that (i) no Covered Entity will become a Sanctioned Person, (ii) no Covered Entity, either in its own right or through any third party, will (A) have any of its assets in a Sanctioned Country or in the possession, custody or control of a Sanctioned Person in violation of any Anti-Terrorism Law; (B) do business in or with, or derive any of its income from investments in or transactions with, any Sanctioned Country or Sanctioned Person in violation of any Anti-Terrorism Law; (C) engage in any dealings or transactions prohibited by any Anti-Terrorism Law or (D) use the Advances to fund any operations in, finance any investments or activities in, or, make any payments to, a Sanctioned Country or Sanctioned Person in violation of any Anti-Terrorism Law, (iii) the funds used to repay the Obligations will not be derived from any unlawful activity, (iv) each Covered Entity shall comply with all Anti-Terrorism Laws and (v) the Borrowers shall promptly notify the Agent in writing upon the occurrence of a Reportable Compliance Event.

*[signature page follows]*

Each of the parties has signed this Agreement as of the day and year first above written.

TRG CUSTOMER SOLUTIONS, INC.

By: /s/ Stephen M. Kezirian  
Name: Stephen M. Kezirian  
Title: Chief Executive Officer

[Signature Page to Revolving Credit and Security Agreement]

PNC BANK, NATIONAL ASSOCIATION,  
As Lender and as Agent

By: /s/ Sawra Ronaldi  
Name: Sawra Ronaldi  
Title: Vice President

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Revolving Commitment Percentage: 100%  
Revolving Commitment Amount \$35,000,000

[Signature Page to Revolving Credit and Security Agreement]



Exhibit 1.2  
Borrowing Base Certificate

[attached]

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**PNC Business Credit Revolving Credit, Term Loan and Security Agreement  
Borrowing Base Certificate**

Certificate #  
Period Ended

1013-01  
10/31/2013

IBEX GLOBAL SOLUTIONS, INC

To induce PNC Bank, National Association ("Agent") to make a loan advance pursuant to the Revolving Credit, Term Loan and Security Agreement dated as of as well as amendments between the undersigned and Lender, we hereby certify as of the above date, the following:

		From	To		Total
<b>Accounts Receivable</b>	1	Previous Certificate AR Balance	09/30/13		\$ 24,890,529.79
	2	Gross Sales Since Last Certificate	10/01/13	10/31/13 +	21,696.54
	3	Collections Since Last Certificate	10/01/13	10/31/13 -	(7,178,817.81)
	4	Credits Since Last Certificate	10/01/13	10/31/13 -	-
	5	Other Adjustments	10/01/13	10/31/13 +/-	702.91
	6	Unreconciled Variance	10/01/13	10/31/13 -	-
	7	Non AR Collections	10/01/13	10/31/13 -	-
	8	Total AR Now Being Certified to Bank (Sum of #1 thru #6)			\$ 17,734,111.43
		Cash In transit		10/31/13 -	(4,668,878.23)
	9	Ineligible AR Per Attached		09/30/13 -	(909,527.25)
	10	Net Eligible AR (#7 - #8)			\$ 12,155,705.95
	10A	Advance Rate			85%
	10B	Gross AR Availability			\$ 10,332,350.06
<b>Unbilled AIR</b>	11	Gross Unbilled A/R As of		10/31/13	13,452,520.04
	12	Ineligible Unbilled A/R		9/30/13 -	0.00
	13	Net Eligible Unbilled A/R			13,452,520.04
	14	Advance Rate			85.0%
	15	Unbilled A/R Availability before Sublimit			11,434,642.04
	16	Unbilled A/R Sublimit			35,000,000.00
	17	<b>Adjusted Unbilled A/R Availability</b>			<b>11,434,642.04</b>
<b>Collateral Reserves</b>	18	Gross Combined Availability			\$ 21,766,992.10
	19	Less Priority Payable (WEPPA & GST)			\$ (78,000.00)
	20	Less Reserve			
	21	<b>Gross Loan Value</b>			\$ 21,688,992.10
	22	Revolver Limit		\$ 35,000,000.00	
	23	<b>Net Loan Value</b>			<b>\$ 21,688,992.10</b>
<b>Loans &amp; Advances</b>	24	Revolver Loan Balance Per Previous Certificate			\$ 0.00
	25	Net Collections Since Last Certificate			-
	26	Advance Requested			+
	27	Misc. Loan Adjustment			+/-
	28	New Loan Balance			\$ 0.00
	29	Rent Reserves			+
	30	Revolver Loans & Reserves			\$ 0.00
	31	Term Loans (if included in Revolver Limit)			\$ 0.00
	32	<b>Total Loans &amp; Reserves</b>			\$ 0.00
	33	Loan Availability (#23 - #42)			\$ 21,688,992.10
	34	Remaining Revolver Availability (#23 - #30)		\$ 21,688,992.10	
	35	Remaining Line Availability (#22 - #32)		\$ 35,000,000.00	

The undersigned hereby certifies that the above representations are true and correct and subject to all conditions of the Loan and Security Agreement. We also represent that to the best of our knowledge, there does not exist a condition which may precipitate a default under the terms of the Loan and Security Agreement or any amendment thereto.

11/5/13  
Date

\_\_\_\_\_  
Authorized Signature, Title

\_\_\_\_\_  
Name of Authorized Signer

**For Bank Use Only**

Date of Advance \_\_\_\_\_ \$ \_\_\_\_\_  
Amount

PNC BANK, N.A. / PNC BUSINESS CREDIT  
 Two Tower Center Blvd. - 21st Floor  
 East Brunswick, NJ 08816

As of: 9/30/2013  
 Aged by: Invoice Date

1-30 Days	12,660,087 .12	
31-60 Days	5,042,709.27	
61-90 Days	6,318.71	
91-120 Days	24,996.34	Ineligible
Over 120 Days		Ineligible
Total		\$ 17,734,111 .44

IBEX GLOBAL SOLUTIONS, INC

AR Ineligible Summary

	9/30/2013	
	Total	
Over 90 Days from Invoice Date	\$	24,996.34
Under 90 days from invoice date but over 60 days from due date		-
Approved Foreign in excess of \$1 ,DOOM sublimit		-
International		-
Cross Aged at 25%		-
Affiliates		-
Rebates Due	884,530.91	Needs to be updated for 9/30/13 figure
Aged Credits		-
Partial Payments		-
Contra Analysis		-
Customers in Ch. 11		-
Finance Charges		-
Pre-billed Invoices		-
Bill-&-Hold Invoices		-
Debit Memos		-
Customer Over Payments		-
Customer Deposits in GL #:		-
Accounts in Collections/Legal		-
Credit Memo Reserve		-
Notes Receivable		-
Due from Officers		-
Shipping Test Reserve		-
Verification Test Reserve		-
Reconciliation Reserve		-
Temporary Ineligibles		-
Total AR Ineligibles	\$	909,527.25

The undersigned hereby certifies that the information provided is true and accurate as the date hereof:

\_\_\_\_\_  
 Authorized Signature / Title

\_\_\_\_\_  
 Date 11/5/13

\_\_\_\_\_  
 Name of Authorized Signer

This is only a sample document. Kindly refer to your loan document and pre-fund exam to determine what items should be deemed ineligible.

FORM OF COMPLIANCE CERTIFICATE

TO: PNC BANK, NATIONAL ASSOCIATION, as Agent

The undersigned, the [Chief Financial Officer] [Controller] of TRG CUSTOMER SOLUTIONS, INC., a Delaware corporation doing business as IBEX Global Solutions (“Borrowing Agent”, any other Person joined as a borrower to the Credit Agreement from time to time, the “Borrowers” and each a “Borrower”), certifies that, solely in his official capacity and not in any individual capacity, pursuant to the terms and conditions of the Revolving Credit and Security Agreement dated as of November 8, 2013 among Borrowers, Agent and the Lenders named therein (the “Credit Agreement”), Borrowers are in compliance for the [month / fiscal quarter / fiscal year] ending \_\_\_\_\_ with all required covenants set forth in the Credit Agreement and no Default or Event of Default exists, (if not true, in the “Comments Regarding Exceptions” section below specify the Default or Event of Default, its nature, when it occurred, whether it is continuing and the steps being taken by Borrowers with respect to such Default or Event of Default.) Without limiting the foregoing, the undersigned certifies that Borrowers are in compliance with the requirements or restrictions imposed by Sections 6.5, 7.3, 7.4, 7.5, 7.6, 7.7, 7.8, 7.10 and 7.11 of the Credit Agreement, except as may be set forth below, and attached hereto as Schedule A are covenant calculations which show such compliance (or non-compliance) with Section 6.5, 7.6 and 7.11. (Capitalized terms used in this Certificate which are not defined herein shall have the meanings set forth in the Credit Agreement.) Nothing herein limits or modifies any of the terms or provisions of the Credit Agreement.

Compliance status is indicated by circling Yes/No under “Complies” column.

<u>Financial Covenants</u>	<u>Required</u>	<u>Actual</u>	<u>Complies</u>	
Section 6.5 – Fixed Charge Coverage Ratio	≥ 1.1 to 1.0	_____ to 1.0	Yes	No

<u>Other Covenants</u>		<u>Complies</u>	
Section 7.3 – Guarantees		Yes	No
Section 7.4 – Investments		Yes	No
Section 7.5 – Loans		Yes	No
Section 7.6 – Capital Expenditures		Yes	No
Section 7.7 – Dividends		Yes	No
Section 7.8 – Indebtedness		Yes	No
Section 7.10 – Transactions with Affiliates		Yes	No
Section 7.11 – Leases		Yes	No

To my knowledge, each Borrower is in compliance in all material respects with all applicable Environmental Laws.

Since the date of the last Compliance Certificate, there has been no change to Borrowers’ operating and other deposit accounts, securities accounts, commodities accounts, and other accounts at which Borrower maintains funds or investments, except as set forth below: \_\_\_\_\_.

Since the date of the last Compliance Certificate, there has been no change to Borrowers’ Intellectual Property, including any applications for any of the foregoing, and including any licenses pursuant to which any Borrower is a licensee of any of the foregoing, except as set forth below: \_\_\_\_\_.

Since the date of the last Compliance Certificate, there has been no change to Borrowers' leased locations or to locations of equipment and Inventory (other than those locations permitted in the Credit Agreement), except as set forth below: \_\_\_\_\_.

Since the date of the last Compliance Certificate, there has been no change to Borrowers' Equity Interests except as set forth below: \_\_\_\_\_.

During the [month / fiscal quarter / fiscal year] ending \_\_\_\_\_, Borrowers (a) received funds from Holdings as working capital or as a capital contribution and not on account of any services provided by any Borrower in the aggregate amount of \$ \_\_\_\_\_, and (b) made Permitted Holdings Distributions to Holdings in the aggregate amount of \$ \_\_\_\_\_.

[Attached as Exhibit I hereto are updates to the following disclosure schedules as permitted by Section 9.17 of the Credit Agreement]

**Comments Regarding Exceptions:** \_\_\_\_\_.

*[signature page follows]*

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Sincerely,

**TRG CUSTOMER SOLUTIONS, INC.**

By: \_\_\_\_\_

Name:

Title:

[Signature Page to Compliance Certificate]

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**SCHEDULE A**

**Calculations**

[Compliance Certificate]

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## FORM OF REVOLVING CREDIT NOTE

\$ \_\_\_\_\_

[\_\_\_\_\_, 2013]

FOR VALUE RECEIVED, TRG CUSTOMER SOLUTIONS, INC., a Delaware corporation doing business as IBEX Global Solutions ("Borrower") hereby promises to pay to the order of \_\_\_\_\_ (the "Holder"), at the Payment Office: (i) at the end of the Term or (ii) earlier as provided in the Credit Agreement, the principal sum of \_\_\_\_\_ DOLLARS (\$ \_\_\_\_\_) or such lesser sum which then represents the Holder's Revolving Commitment Percentage of the aggregate unpaid principal amount of all Revolving Advances outstanding under the Credit Agreement, in lawful money of the United States of America in immediately available funds, together with interest on the principal hereunder remaining unpaid from time to time, at the rate or rates from time to time in effect under the Credit Agreement.

**THIS REVOLVING CREDIT NOTE** is executed and delivered under and pursuant to the terms of that certain Revolving Credit and Security Agreement, dated as of the date hereof (as the same may be amended, restated, supplemented or otherwise modified from time to time, the "Credit Agreement"), by and among Borrower, the various financial institutions named therein or which hereafter become party thereto as lenders (the "Lenders", and PNC Bank, National Association, in its capacity as agent for the Lenders (in such capacity, "Agent") and in its capacity as a Lender. Capitalized terms used herein and not otherwise defined herein shall have the meanings provided in the Credit Agreement.

Borrower hereby waives diligence, presentment, demand, protest and notice of any kind whatsoever as further set forth in the Credit Agreement.

This Revolving Credit Note is one of the Notes referred to in the Credit Agreement, which among other things, contains provisions for the acceleration of the maturity hereof upon the happening of certain events, for optional and mandatory prepayments of the principal hereof prior to the maturity hereof and for the amendment or waiver of certain terms and conditions therein specified.

THIS REVOLVING CREDIT NOTE SHALL, IN ACCORDANCE WITH SECTION 5-1401 OF THE GENERAL OBLIGATIONS LAW OF THE STATE OF NEW YORK, BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK.

[Signature Page Follows]

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IN WITNESS WHEREOF, the undersigned has executed this Note the day and year first written above intending to be legally bound hereby.

**TRG CUSTOMER SOLUTIONS, INC.**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

[SIGNATURE PAGE TO REVOLVING CREDIT NOTE]

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## FORM OF SWING LOAN NOTE

\$ \_\_\_\_\_

\_\_\_\_\_, 2013

FOR VALUE RECEIVED, TRG CUSTOMER SOLUTIONS, INC., a Delaware corporation doing business as IBEX Global Solutions ("Borrower"), hereby promises to pay to the order of PNC BANK, NATIONAL ASSOCIATION (the "Holder"), at the Payment Office: the lesser of the principal sum of \_\_\_\_\_ DOLLARS (\$ \_\_\_\_\_) or such lesser sum which then represents the aggregate unpaid principal amount of all Swing Loans made or extended to Borrowers by the Holder pursuant to the Credit Agreement, in lawful money of the United States of America in immediately available funds, together with interest on the principal hereunder remaining unpaid from time to time, at the rate or rates from time to time in effect under the Credit Agreement; provided, however, that the entire unpaid principal balance of this Swing Loan Note shall be due and payable in full at the end of the Term, or earlier as provided in the Credit Agreement.

THIS SWING LOAN NOTE is executed and delivered under and pursuant to the terms of that certain Revolving Credit and Security Agreement, dated as of the date hereof (as the same may be amended, restated, supplemented or otherwise modified from time to time, the "Credit Agreement"), by and among Borrower, the various financial institutions named therein or which hereafter become party thereto as lenders (the "Lenders") and PNC Bank, National Association, in its capacity as agent for the Lenders (in such capacity, "Agent") and in its capacity as a Lender. Capitalized terms used herein and not otherwise defined herein shall have the meanings provided in the Credit Agreement.

Borrower hereby waives diligence, presentment, demand, protest and notice of any kind whatsoever as further set forth in the Credit Agreement.

This Swing Loan Note is one of the Notes referred to in the Credit Agreement, which among other things, contains provisions for the acceleration of the maturity hereof upon the happening of certain events, for optional and mandatory prepayments of the principal hereof prior to the maturity hereof and for the amendment or waiver of certain terms and conditions therein specified.

THIS SWING LOAN NOTE SHALL, IN ACCORDANCE WITH SECTION 5-1401 OF THE GENERAL OBLIGATIONS LAW OF THE STATE OF NEW YORK, BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK.

[Signature Page Follows]

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IN WITNESS WHEREOF, the undersigned has executed this Note the day and year first written above intending to be legally bound hereby.

**TRG CUSTOMER SOLUTIONS, INC.**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

[SIGNATURE PAGE TO SWING LOAN NOTE]

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IBEX Global Solutions Inc. (TRG Customer Solutions)  
FY2014 Forecast - Income Statement (Consolidated US and CN)  
\$000 USD

	Jul-Sep13 Forecast	Oct-Dec13 Forecast	Jan-Mar14 Forecast	Apr-Jun14 Forecast	FY14 Total
Revenue	41,754	43,208	39,197	38,566	162,725
<b>Total Revenue</b>	<b>41,754</b>	<b>43,208</b>	<b>39,197</b>	<b>38,566</b>	<b>162,725</b>
<b>Cost of Services</b>					
<b>Variable:</b>					
Direct Labor	26,366	26,600	23,985	25,004	101,955
% of revenue	63.1%	61.6%	61.2%	64.8%	62.7%
Telecom	1,072	1,085	1,081	1,056	4,293
% of revenue	2.6%	2.5%	2.8%	2.7%	2.6%
<b>Total Variable Costs</b>	<b>27,438</b>	<b>27,685</b>	<b>25,065</b>	<b>26,060</b>	<b>106,249</b>
% of revenue	65.7%	64.1%	63.9%	67.6%	65.3%
<b>Fixed:</b>					
Admin Salary Labor	4,636	4,688	4,168	4,095	17,586
% of revenue	11.1%	10.8%	10.6%	10.6%	10.8%
Facility Costs (Non Labor)	3,761	4,222	3,630	3,418	15,031
% of revenue	9.0%	9.8%	9.3%	8.9%	9.2%
<b>Total Fixed Costs</b>	<b>8,396</b>	<b>8,910</b>	<b>7,798</b>	<b>7,513</b>	<b>32,618</b>
% of revenue	20.1%	20.6%	19.9%	19.5%	20.0%
<b>Total Cost of Services</b>	<b>35,834</b>	<b>36,595</b>	<b>32,863</b>	<b>33,574</b>	<b>138,866</b>
% of revenue	85.8%	84.7%	83.8%	87.1%	85.3%
<b>Gross Margin</b>	<b>5,919</b>	<b>6,613</b>	<b>6,334</b>	<b>4,993</b>	<b>23,859</b>
% of revenue	14.2%	15.3%	16.2%	12.9%	14.7%
<b>SG&amp;A</b>					
Labor	2,665	2,714	2,774	2,737	10,890
% of revenue	6.4%	6.3%	7.1%	7.1%	6.7%
Non Labor	1,401	1,340	1,289	1,299	5,330
% of revenue	3.4%	3.1%	3.3%	3.4%	3.3%
<b>Total SG&amp;A</b>	<b>4,066</b>	<b>4,054</b>	<b>4,064</b>	<b>4,036</b>	<b>16,220</b>
% of revenue	9.7%	9.4%	10.4%	10.5%	10.0%
<b>EBITDA</b>	<b>1,854</b>	<b>2,559</b>	<b>2,270</b>	<b>957</b>	<b>7,639</b>
% of revenue	4.4%	5.9%	5.8%	2.5%	4.7%
<b>Other Items</b>					
Dep. & Amort.	591	627	667	706	2,592
Royalty Expense	731	756	686	675	2,848
Interest (Income)/Expense	604	300	294	282	1,481
Other(ESOP)	125	125	125	125	500
Total Other Items	2,051	1,808	1,773	1,789	7,420
<b>Pretax Income (Loss)</b>	<b>(198)</b>	<b>751</b>	<b>497</b>	<b>(832)</b>	<b>219</b>
Income Taxes	-	-	-	-	-
<b>Net Income (Loss)</b>	<b>(198)</b>	<b>751</b>	<b>497</b>	<b>(832)</b>	<b>219</b>
% of revenue	-0.5%	1.7%	1.3%	-2.2%	0.1%

**Notes**

Above #s do not include US GAAP-IFRS Education deferred entries (assumed to be approximately net zero impact to EBITDA)

FY tax estimate-0%. Company projects sufficient start up NOLS to reduce taxes to zero, subject to change.

Royalty: up to 4%, above model uses 1.75% - subject to change

ESOP: 125K estimated, subject to change

Above amounts are based on estimates and subject to significant variances

IBEX Global Solutions Inc. (TRG Customer Solutions)  
 FY2014 Forecast -Balance Sheet (Consolidate US and CN)  
 \$000 USD

	Sep '13 Forecast	Dec '13 Forecast	Mar '14 Forecast	Jun '14 Forecast
<b>Current Assets</b>				
Cash and Investments	2,385	3,028	3,212	3,711
Trade Receivables - Billed	25,923	26,636	24,413	24,195
Trade Receivables - Unbilled	12,694	13,107	12,165	12,355
Amount Due from Affiliates	1,108	1,095	993	993
Prepaid Expenses & Other	1,116	903	1,818	1,695
<b>Total Current Assets</b>	<b>43,226</b>	<b>44,770</b>	<b>42,601</b>	<b>42,949</b>
Property & Equipment, Net	2,344	2,150	1,951	1,736
Goodwill and Other Intangibles	9,014	9,014	9,014	9,014
Other Non-Current Assets	827	632	680	680
<b>Total Other Assets</b>	<b>12,185</b>	<b>11,796</b>	<b>11,646</b>	<b>11,430</b>
<b>TOTAL ASSETS</b>	<b>55,411</b>	<b>56,566</b>	<b>54,246</b>	<b>54,379</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY:</b>				
Accounts Payable	3,953	3,879	3,594	3,668
Accrued Liabilities	12,776	12,164	12,306	13,316
Current Portion Capital Leases	478	398	324	557
Current Borrowings	29,420	30,383	27,565	27,343
Amount Due to Affiliates	0	0	0	0
<b>Total Current Liabilities</b>	<b>46,626</b>	<b>46,823</b>	<b>43,790</b>	<b>44,883</b>
Deferred Taxes and Other Liabilities				
<b>Total Non Current Liabilities</b>	<b>1,651</b>	<b>1,763</b>	<b>1,885</b>	<b>1,661</b>
<b>TOTAL LIABILITIES</b>	<b>48,277</b>	<b>48,586</b>	<b>45,674</b>	<b>46,544</b>
Additional Paid-in Capital	30,752	30,877	31,002	31,127
Retained Earnings	(11,167)	(11,197)	(11,227)	(11,257)
Net Income (Loss) For the Period	(12,451)	(11,700)	(11,203)	(12,035)
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>7,134</b>	<b>7,980</b>	<b>8,572</b>	<b>7,835</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>55,411</b>	<b>56,566</b>	<b>54,246</b>	<b>54,379</b>

**Notes**

Above #s do not include US GAAP-IFRS Education deferred enteries (assumed to be approximately net zero impact to EBITDA)

FY tax estimate-0%. Company projects sufficient start up NOLS to reduce taxes to zero, subject to change.

Royalty: up to 4%, above model uses 1.75% - subject to change

ESOP: 125K estimated, subject to change

Above amounts are based on estimates and subject to significant variances

**IBEX Global Solutions Inc. (TRG Customer Solutions)**  
**FY14 Forecast -Cash Flow Statement (Consolidated US and CN)**  
**\$000 USD**

	Jul-Sep13 Forecast	Oct-Dec13 Forecast	Jan-Mar14 Forecast	Apr-Jun14 Forecast	FY14 Total
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>					
Net Income / (Loss)	(198)	751	497	(832)	219
Adjustments for:					
Dep. & Amort.	591	627	667	706	2,592
Non-Cash Gain/Loss on Disposal of Fixed Asset	-	-	-	-	-
Stock-based compensation expense	125	125	125	125	500
<b>Working Capital Changes</b>					
Decrease / (Increase) in Accounts Receivables	(11,752)	(1,126)	3,166	28	(9,685)
Decrease / (Increase) in Prepaid Expenses	317	407	(963)	124	(115)
Increase / (Decrease) in Accounts Payable	187	(74)	(285)	74	(98)
Increase / (Decrease) in Accrued Liab.	1,852	107	888	1,649	4,496
Total Working Capital Changes	(9,397)	(685)	2,806	1,874	(5,402)
Net Receipts from / (Payments to) Affiliates	(83)	13	102	1	32
Net Cash Flow from Operating Activities	(8,961)	831	4,197	1,874	(2,059)
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>					
Purchase / Sale of Fixed Assets / Goodwill	(466)	(433)	(469)	(491)	(1,859)
Net Cash Flow from Investing Activities	(466)	(433)	(469)	(491)	(1,859)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>					
Royalty Payments	-	(731)	(756)	(686)	(2,173)
Short Term Borrowings	9,920	963	(2,818)	(223)	7,843
Lease financing	198	184	199	209	790
Capital Lease Principal Payments	(136)	(141)	(140)	(154)	(571)
Net Cash Flow from Financing Activities	9,982	276	(3,515)	(853)	5,889
Effects of Exchange Rate Changes	(30)	(30)	(30)	(30)	(120)
Net Increase / (Decrease) in Cash and Equivalents	525	644	183	500	1,851
Cash and Equivalents (Beginning of Period)	1,860	2,385	3,028	3,212	1,860
Cash and Equivalents (End of Period)	2,385	3,028	3,212	3,711	3,711

**Notes**

Above #s do not include US GAAP-IFRS Education deferred enteries (assumed to be approximately net zero impact to EBITDA)

FY tax estimate-0%. Company projects sufficient start up NOLS to reduce taxes to zero, subject to change.

Royalty: up to 4%, above model uses 1.75% - subject to change

ESOP: 125K estimated, subject to change

Above amounts are based on estimates and subject to significant variances



6. WHOLE WORKSHEET OF DCFM

	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R
					IS M Case	EBITDA	BS M Case	Analysis	Principal	Interest	IS B Case	BS B Case	B Base	FCCR	Cash Flow		
2	IBEX Global Solutions US - Base Case				1	8/31/2013	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	
3					8/31/2013	Days in Mo.	30	31	30	31	31	28	31	30	31	30	
4	Income Statement - Management Case				TTM												
5	Net Sales 1				138,800		14,442	14,033	13,973	14,461	13,397	12,419	13,381	12,485	12,542	13,540	
6	Net Sales 2				0		0	0	0	0	0	0	0	0	0	0	
7	Net Sales 3				0		0	0	0	0	0	0	0	0	0	0	
8	Total Revenue				138,800		14,442	14,033	13,973	14,461	13,397	12,419	13,381	12,485	12,542	13,540	
9	COGS (Variable)	% Variable	80.0%		94,476		9,764	9,846	9,817	10,167	9,063	8,490	9,061	8,492	8,699	9,138	
10	COGS (Fixed)	% Fixed	20.0%		23,619		2,441	2,461	2,454	2,542	2,266	2,123	2,265	2,123	2,175	2,285	
11	Total COGS				118,095		12,205	12,307	12,272	12,709	11,329	10,613	11,326	10,615	10,873	11,423	
12	COGS % of Revenue				85.1%		84.5%	87.7%	87.8%	87.9%	84.6%	85.5%	84.6%	85.0%	86.7%	84.4%	
13	Gross Profit				20,705		2,237	1,726	1,701	1,753	2,068	1,806	2,055	1,870	1,669	2,117	
14	Gross Margin % of Revenue				14.9%		15.5%	12.3%	12.2%	12.1%	15.4%	14.5%	15.4%	15.0%	13.3%	15.6%	
15	SG&A				14,952		1,224	1,354	1,334	1,344	1,364	1,335	1,364	1,334	1,336	1,366	
16	Depreciation and Amort				1,358		133	137	141	145	149	153	158	162	167	172	
17	Stock Based Comp/ESOP				428		42	42	42	42	42	42	42	42	42	42	
18	Exceptional Loss				13,632		0	992	245	253	234	217	234	218	219	237	
19	Total Operating Expenses				30,370		1,398	2,525	1,761	1,784	1,790	1,748	1,798	1,757	1,764	1,816	
20	Total Operating Expenses % of Revenue				21.9%		9.7%	18.0%	12.6%	12.3%	13.4%	14.1%	13.4%	14.1%	14.1%	13.4%	
21	Operating Income				(9,665)		839	(799)	(59)	(31)	279	58	258	114	(95)	300	
22	Gain on disposal of asset				0		0	0	0	0	0	0	0	0	0	0	
23	Other Expense/(Income)				(11)		0	0	0	0	0	0	0	0	0	0	
24	Other Expense 3				0		0	0	0	0	0	0	0	0	0	0	
25	Total Non-operating Expenses				(11)		0	0	0	0	0	0	0	0	0	0	
26	Earnings Before Interest and Taxes				(9,654)		839	(799)	(59)	(31)	279	58	258	114	(95)	300	
27	Interest Expense	Used for N/I Tie-Out Only			1,817		141	940	68	69	71	72	69	67	69	70	
28	Earnings Before Taxes				(11,471)		699	(1,738)	(128)	(100)	207	(14)	189	46	(164)	230	
29	Income Taxes				(1,385)		0	0	0	0	0	0	0	0	0	0	
30	Net Income				(10,086)		699	(1,738)	(128)	(100)	207	(14)	189	46	(164)	230	
31																	
32	<b>EBITDA</b>																
33	Net Income				(10,086)		699	(1,738)	(128)	(100)	207	(14)	189	46	(164)	230	
34	Depreciation	Note: Depr and Amort must be separately identified			1,358		133	137	141	145	149	153	158	162	167	172	
35	Amortization				0		0	0	0	0	0	0	0	0	0	0	
36	Interest Expense				1,817		141	940	68	69	71	72	69	67	69	70	
37	Income Taxes				(1,385)		0	0	0	0	0	0	0	0	0	0	
38	EBITDA - Unadjusted				(8,296)		972	(662)	81	114	428	211	416	276	72	472	
39	ESOP				0		42	42	42	42	42	42	42	42	42	42	
40	Royalty Payments				(13)		0	992	245	253	234	217	234	218	219	237	
41	EBITDA Adjustment 3				14,072		0	0	0	0	0	0	0	0	0	0	
42	Management Case EBITDA				5,763		1,014	372	367	409	704	470	691	536	333	751	
43	EBITDA Adjustment 1 (Underwriting)				0		0	0	0	0	0	0	0	0	0	0	
44	EBITDA Adjustment 2 (Underwriting)				0		0	0	0	0	0	0	0	0	0	0	
45	EBITDA Adjustment 3 (Underwriting)				0		0	0	0	0	0	0	0	0	0	0	
46	Base Case (Underwriting) EBITDA				5,763		1,014	372	367	409	704	470	691	536	333	751	
47																	

## 6. WHOLE WORKSHEET OF DCFM

	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	
1							IS M Case	EBITDA	BS M Case	Analysis	Principal	Interest	IS B Case	BS B Case	B Base	FCCR	Cash Flow			
2	IBEX Global Solutions US - Base Case						8/31/2013	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14	Aug-14	
48	Balance Sheet - Management Case						Opening BS													
49	Cash						0	216	2,231	2,197	2,476	2,606	2,522	2,194	2,422	2,631	2,731	2,462	1,953	
50	Accounts Receivable						26,992	38,287	38,435	37,732	37,759	37,406	35,859	35,241	34,400	34,630	35,248	37,446	39,268	
51	Other Receivables						0	0	0	0	0	0	0	0	0	0	0	0	0	
52	Inventory						0	0	0	0	0	0	0	0	0	0	0	0	0	
53	Prepays and deferred expenses						2,353	1,089	1,080	911	893	1,862	1,937	1,818	1,777	1,736	1,695	1,653	1,612	
54	Deferred expenses						0	0	0	0	0	0	0	0	0	0	0	0	0	
55	Due from affiliates						2,432	2,426	2,001	2,008	2,006	1,956	1,964	1,967	1,966	1,967	1,966	1,967	1,967	
56	Other Current Assets 3						0	0	0	0	0	0	0	0	0	0	0	0	0	
57	Total Current Assets						31,777	42,018	43,747	42,848	43,133	43,830	42,283	41,220	40,565	40,963	41,639	43,528	44,800	
58																				
59	PP&E, Net						2,571	2,539	2,544	2,543	2,550	2,561	2,556	2,558	2,555	2,548	2,549	2,522	2,491	
60	Intangible Assets						9,014	9,135	9,135	9,135	9,135	9,135	9,135	9,135	9,135	9,135	9,135	9,135	9,135	
61	Long term deferred expenses/deposits						1,436	1,855	1,855	1,855	1,660	1,660	1,660	1,708	1,708	1,708	1,708	1,708	1,708	
62	Long term deferred expenses						0	0	0	0	0	0	0	0	0	0	0	0	0	
63	Long term deposits						0	0	0	0	0	0	0	0	0	0	0	0	0	
64	Total Assets						44,798	55,547	57,282	56,382	56,479	57,186	55,634	54,622	53,964	54,355	55,031	56,893	58,135	
65																				
66	Accounts Payable						3,174	3,731	3,709	3,862	3,724	3,721	4,041	3,720	3,784	3,666	3,864	4,085	4,085	
67																				
68	Accrued Expenses and other payables						2,040	12,910	12,647	12,231	12,445	11,638	11,004	11,497	10,901	11,072	11,414	15,695	15,574	
69	Accrued compensation						9,933	0	0	0	0	0	0	0	0	0	0	0	0	
70	Deferred revenue						1,180	0	0	0	0	0	0	0	0	0	0	0	0	
71	Due to affiliates						12,292	12,292	13,284	12,537	12,545	12,526	12,509	12,526	12,510	12,511	12,529	12,553	12,553	
72	Other Current Lia. 4						0	0	0	0	0	0	0	0	0	0	0	0	0	
73	Total Current Liabilities						28,620	28,934	29,640	28,629	28,714	27,886	27,554	27,743	27,195	27,250	27,807	32,333	32,211	
74																				
75	RLOC						5,918	14,879	17,605	17,808	17,871	19,148	17,899	16,462	16,261	16,719	16,594	13,629	14,663	
76	Capital Leases	(Inclning CPLTD)					423	407	378	348	325	302	276	249	222	192	480	446	441	
77	Senior Term Debt 2	(Inclning CPLTD)					0	0	0	0	0	0	0	0	0	0	0	0	0	
78	Senior Term Debt 3	(Inclning CPLTD)					0	0	0	0	0	0	0	0	0	0	0	0	0	
79	Senior Term Debt 4	(Inclning CPLTD)					0	0	0	0	0	0	0	0	0	0	0	0	0	
80	Total Senior Debt						6,342	15,286	17,983	18,156	18,196	19,450	18,174	16,712	16,482	16,912	17,074	14,075	15,105	
81	Subordinated Debt 1						0	0	0	0	0	0	0	0	0	0	0	0	0	
85	Accrued PIK Interest						0	0	0	0	0	0	0	0	0	0	0	0	0	
86	Total Debt						6,342	15,286	17,983	18,156	18,196	19,450	18,174	16,712	16,482	16,912	17,074	14,075	15,105	
87	Other LT Liabilities 1						1,124	1,183	1,220	1,255	1,295	1,337	1,375	1,416	1,457	1,497	1,193	1,235	1,277	
88	Other LT Liabilities 2						0	0	0	0	0	0	0	0	0	0	0	0	0	
89	Total Liabilities						36,086	45,403	48,843	48,040	48,205	48,673	47,104	45,871	45,135	45,658	46,073	47,642	48,593	
90																				
91	Equity 1						0	0	0	0	0	0	0	0	0	0	0	0	0	
94	Retained Earnings						8,712	10,144	8,438	8,341	8,273	8,512	8,530	8,750	8,828	8,696	8,958	9,250	9,541	
95	Total Equity						8,712	10,144	8,438	8,341	8,273	8,512	8,530	8,750	8,828	8,696	8,958	9,250	9,541	
96	Total Liabilities & Equity						44,798	55,547	57,281	56,381	56,478	57,185	55,633	54,621	53,963	54,354	55,031	56,893	58,134	
97																				
98		B/S CHECK					(0)	1	1	1	1	1	1	1	1	1	1	1	1	

6. WHOLE WORKSHEET OF DCFM

	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P
1							ISM Case	EBITDA	BS M Case	Analysis	Principal	Interest	IS B Case	BS B Case	B Base
2	IBEX Global Solutions US - Base Case						8/31/2013	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14	Apr-14
99	Management Case - Account Analysis														
100															
101	Accounts Receivable - Days Sales Outstanding						0.0	79.5	84.9	81.0	80.9	86.6	80.9	81.6	82.7
102	Increase (Decrease)	Adjustment not typically needed here					N/A	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
103	A/R DSOs - Base Case	Use Sensitized Case					0.0	79.5	84.9	81.0	80.9	86.6	80.9	81.6	82.7
104	Inventory - Days COGS Outstanding						0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
105	Increase (Decrease)	Adjustment not typically needed here					N/A	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
106	Inventory Days COGS - Base Case	Use Sensitized Case					0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
107	Accounts Payable - Days COGS Outstanding						0.0	9.2	9.3	9.4	9.1	10.2	10.7	10.2	10.7
108	Increase (Decrease)	Adjustment not typically needed here					N/A	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
109	A/P Days COGS - Base Case	Use Sensitized Case					0.0	9.2	9.3	9.4	9.1	10.2	10.7	10.2	10.7
110															
111	PP&E, Net														
112	Beginning Balance						Per Opening BS	2,571	2,539	2,544	2,543	2,549	2,561	2,556	2,558
113	Depreciation	From EBITDA calculation above						(133)	(137)	(141)	(145)	(149)	(153)	(158)	(162)
114	Capital Expenditures - Cash	CHECK W/ CARL ABOUT CAPEX						51	71	70	76	81	74	80	80
115	Capital Expenditures - Financed	Supported by Term Debt Additions? - Verify						51	71	70	76	81	74	80	80
116	Capital Expenditures - Total							101	142	140	151	161	148	160	159
117	(Disposals and Other Adjs)							0	0	0	0	0	0	0	0
118	Ending Balance - Base Case	This total is used in the Base Case Balance Sheet						2,539	2,544	2,543	2,549	2,561	2,556	2,558	2,555
119	Ending Balance - Management Case							2,539	2,544	2,543	2,550	2,561	2,556	2,558	2,555
120	Unidentified Difference	If not -0- Depr/Capex/Disposals do not reconcile						(0)	(0)	0	(0)	0	(0)	(0)	(0)
121															
122	Retained Earnings														
123	Beginning Balance						Per Opening BS	8,712	9,411	7,672	7,545	7,445	7,652	7,638	7,827
124	Net Income							699	(1,738)	(128)	(100)	207	(14)	189	46
125	(Distributions - Income Taxes)	Used in Fixed Charge Coverage						0	0	0	0	0	0	0	0
126	(Distributions - Discretionary)	Used in Fixed Charge Coverage						0	0	0	0	0	0	0	0
127	Ending Balance							9,411	7,672	7,545	7,445	7,652	7,638	7,827	7,873
128	Ending Balance - Management Case							10,144	8,438	8,341	8,273	8,512	8,530	8,750	8,828
129	Unidentified Difference	ESOP and RE Earnings Movement						(733)	(765)	(797)	(828)	(860)	(892)	(923)	(955)
130															
131	Effective Tax Rate - Management Case							0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
132	Effective Tax Rate - Base Case	Set Base Case Tax Rate (override)						40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%
133		Typically 0%, adjust in Sensitized Case, override only management case requires a change based on discussion with management													

6. WHOLE WORKSHEET OF DCFM

	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S
1																		
2	IBEX Global Solutions US - Base Case																	
134	Term and Subordinated Debt Analysis																	
135	Capital Leases																	
136																		
137	Beginning Balance					Per Opening BS	423	470	482	491	511	533	549	568	585	602	621	
138	Additions	CHECK W/ CARL					94	60	59	64	68	63	68	68	68	73	63	
139	Amortization						47	49	50	44	46	47	49	50	52	53	55	
140	Ending Balance	Calculated balance is used in the Base Case Bal Sht					470	482	491	511	533	549	568	585	602	621	629	
141	Ending Balance - Management Case						407	378	348	325	302	276	249	222	192	480	446	
142	Unidentified Difference						63	104	143	186	231	274	319	364	409	141	183	
143																		
144	Senior Term Debt 2																	
151																		
152	Senior Term Debt 3																	
159																		
160	Senior Term Debt 4																	
167																		
168	Subordinated Debt 1																	
169	Beginning Balance					Per Opening BS	0	0	0	0	0	0	0	0	0	0	0	
170	Additions						0	0	0	0	0	0	0	0	0	0	0	
171	Amortization						0	0	0	0	0	0	0	0	0	0	0	
172	PIK Interest	See Subordinated Debt Interest below					0	0	0	0	0	0	0	0	0	0	0	
173	Ending Balance	Calculated balance is used in the Base Case Bal Sht					0	0	0	0	0	0	0	0	0	0	0	
174	Ending Balance - Management Case						0	0	0	0	0	0	0	0	0	0	0	
175	Unidentified Difference						0	0	0	0	0	0	0	0	0	0	0	
176																		
177	Subordinated Debt 2																	
185																		
186	Subordinated Debt 3																	
194																		
195	Subordinated Debt 4																	
203																		
204	Total Additions to Debt						94	60	59	64	68	63	68	68	68	73	63	
205	Total Amortization						47	49	50	44	46	47	49	50	52	53	55	
206																		

6. WHOLE WORKSHEET OF DCFM

	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	
1								IS M Case	EBITDA	BS M Case	Analysis	Principal	Interest	IS B Case	BS B Case	BF
2	IBEX Global Solutions US - Base Case				1	8/31/2013	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14	Apr		
207	Interest Expense															
208	RLOC															
210	Revolver Commitment	LIBOR	0.25%	Commitment	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000
211	L/Cs	Prime	3.25%	L/Cs	0	0	0	0	0	0	0	0	0	0	0	0
212	Capital Leases															
213	Beginning Balance	LIBOR Floor	0.00%	Total%	Allocation%	5,918	15,543	15,027	15,233	14,984	16,101	14,902	15,000	15,000	15,000	15,000
214	Interest Expense - LIBOR	L+ Spread	2.50%	2.75%	75%	10	28	26	27	27	26	26	26	26	26	26
215	Interest Expense - Prime	P+ Spread	0.25%	3.50%	25%	4	12	11	11	11	11	11	11	11	11	11
216	L/C Fees	L/C Fee		2.75%		0	0	0	0	0	0	0	0	0	0	0
217	Unused Line Fee	Unused Line Fee		0.25%		6	4	4	4	4	4	4	4	4	4	4
218	Total Interest Expense	Days 360 or 365		360		21	44	41	43	42	40	42	42	42	42	42
219	Capital Leases															
221	Beginning Balance	LIBOR Floor	0.00%	Total%	Allocation%	423	470	482	491	511	533	549	549	549	549	549
222	Interest Expense - LIBOR	L+ Spread	6.00%	10.00%	100%	3	4	4	4	4	4	4	5	5	5	5
223	Interest Expense - Prime	P+ Spread	3.00%	6.25%	0%	0	0	0	0	0	0	0	0	0	0	0
224	Total Interest Expense	Days 360 or 365		365		3	4	4	4	4	4	4	5	5	5	5
225	Senior Term Debt 2															
231	Senior Term Debt 3															
232	Senior Term Debt 4															
237	Subordinated Debt 1															
243	Beginning Balance	LIBOR Floor	0.00%	Total%	Allocation%	0	0	0	0	0	0	0	0	0	0	0
244	Interest Expense - LIBOR	L+ Spread	0.00%	0.25%	0%	0	0	0	0	0	0	0	0	0	0	0
245	Interest Expense - Prime	P+ Spread	0.00%	3.25%	0%	0	0	0	0	0	0	0	0	0	0	0
246	Interest Expense - Fixed	Fixed Rate		0.00%	100%	0	0	0	0	0	0	0	0	0	0	0
247	Total Cash Interest Expense					0	0	0	0	0	0	0	0	0	0	0
248	Interest Expense - PIK	PIK Rate	0.00%			0	0	0	0	0	0	0	0	0	0	0
249	Total Interest Expense	PIK Accrual	1	See Note (1, 2 or 3)		0	0	0	0	0	0	0	0	0	0	0
250	Note: PIK Accrual method: 1 = add to debt balance (compounds); 2 = add to Accrued PIK Interest (no compounding); 3 = already included in Management Case Accrued Liabilities															
251	Subordinated Debt 2															
252	Subordinated Debt 3															
253	Subordinated Debt 4															
254	PIK Interest Added to Loan Balance					0	0	0	0	0	0	0	0	0	0	0
255	PIK Interest Added to Accrued Interest					0	0	0	0	0	0	0	0	0	0	0
256	PIK Interest is included in Mgt Case accrued lia.					0	0	0	0	0	0	0	0	0	0	0
257	Total PIK Interest					0	0	0	0	0	0	0	0	0	0	0
258	Total Senior Interest Expense					24	47	45	47	47	45	47	47	47	47	47
259	Total Subordinated Interest Expense					0	0	0	0	0	0	0	0	0	0	0
260	Total Interest Expense					24	47	45	47	47	45	47	47	47	47	47
261	Total Cash Interest Expense					24	47	45	47	47	45	47	47	47	47	47
262	Total PIK Interest Expense					0	0	0	0	0	0	0	0	0	0	0
263	Total Interest Expense					24	47	45	47	47	45	47	47	47	47	47
264	Total Interest Expense - Management Case															
265						141	940	68	69	71	72	69	69	69	69	69

6. WHOLE WORKSHEET OF DCFM

	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	
1																			
2	IBEX Global Solutions US - Base Case						IS M Case	EBITDA	BS M Case	Analysis	Principal	Interest	IS B Case	BS B Case	B Base	FCCR	Cash Flow		
293	Income Statement - Base Case						8/31/2013	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-	
294	Net Sales 1						14,442	14,033	13,973	14,461	13,397	12,419	13,381	12,485	12,542	13,540	14,8		
295	Net Sales 2						0	0	0	0	0	0	0	0	0	0	0	0	
296	Net Sales 3						0	0	0	0	0	0	0	0	0	0	0	0	
297	Total Revenue						14,442	14,033	13,973	14,461	13,397	12,419	13,381	12,485	12,542	13,540	14,8		
298	COGS (Variable)						9,764	9,846	9,817	10,167	9,063	8,490	9,061	8,492	8,699	9,138	10,0		
299	COGS (Fixed)						2,441	2,461	2,454	2,542	2,266	2,123	2,265	2,123	2,175	2,285	2,5		
300	Total COGS						12,205	12,307	12,272	12,709	11,329	10,613	11,326	10,615	10,873	11,423	12,5		
301	COGS % of Revenue						84.5%	87.7%	87.8%	87.9%	84.6%	85.5%	84.6%	85.0%	86.7%	84.4%	8		
302	Gross Profit						2,237	1,726	1,701	1,753	2,068	1,806	2,055	1,870	1,669	2,117	2,3		
303	Gross Margin % of Revenue						15.5%	12.3%	12.2%	12.1%	15.4%	14.5%	15.4%	15.0%	13.3%	15.6%	1		
304	SG&A						1,224	1,354	1,334	1,344	1,364	1,335	1,364	1,334	1,336	1,366	1,5		
305	Depreciation and Amort						133	137	141	145	149	153	158	162	167	172	1		
306	Stock Based Comp/ESOP						42	42	42	42	42	42	42	42	42	42	42		
307	Exceptional Loss						0	992	245	253	234	217	234	218	219	237	2		
308	Total Operating Expenses						1,398	2,525	1,761	1,784	1,790	1,748	1,798	1,757	1,764	1,816	1,9		
309	Total Operating Expenses % of Revenue						9.7%	18.0%	12.6%	12.3%	13.4%	14.1%	13.4%	14.1%	14.1%	13.4%	1		
310	Operating Income						839	(799)	(59)	(31)	279	58	258	114	(95)	300	3		
311	Gain on disposal of asset						0	0	0	0	0	0	0	0	0	0	0		
312	Other Expense/(Income)						0	0	0	0	0	0	0	0	0	0	0		
313	Other Expense 3						0	0	0	0	0	0	0	0	0	0	0		
314	Total Non-operating Expenses						0	0	0	0	0	0	0	0	0	0	0		
315	Earnings Before Interest and Taxes						839	(799)	(59)	(31)	279	58	258	114	(95)	300	3		
316	Interest Expense			Calculated in Interest Section Line 248			24	47	45	47	47	45	47	43	44	43			
317	Earnings Before Taxes						815	(846)	(104)	(78)	232	13	211	71	(139)	258	2		
318	Income Taxes (before cumulative limit of \$0)			This line used only in calculating the			326	(338)	(42)	(31)	93	5	84	28	(55)	103	1		
319	Income Taxes (cumulative total limited to \$0)			cumulative \$0 limit			326	(326)	0	0	7	5	84	28	(55)	103	1		
320	Net Income - Base Case						489	(520)	(104)	(78)	225	8	127	42	(83)	155	1		
321																			
322	Net Income - Management Case						699	(1,738)	(128)	(100)	207	(14)	189	46	(164)	230	2		
323																			

6. WHOLE WORKSHEET OF DCFM

	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S		
1							IS M Case	EBITDA	BS M Case	Analysis	Principal	Interest	IS B Case	BS B Case	B Base	FCCR	Cash Flow			
2	IBEX Global Solutions US - Base Case						8/31/2013	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14	Au	
324	Balance Sheet - Base Case						Opening BS													
325	Cash						0	0	0	0	0	0	0	0	0	0	0	0		
326	Accounts Receivable						26,992	38,287	38,435	37,732	37,759	37,406	35,859	35,241	34,400	34,630	35,248	37,446		
327	Other Receivables						0	0	0	0	0	0	0	0	0	0	0	0		
328	Inventory						0	0	0	0	0	0	0	0	0	0	0	0		
329	Prepays and deferred expenses						2,353	1,089	1,080	911	893	1,862	1,937	1,818	1,777	1,736	1,695	1,653		
330	Deferred expenses						0	0	0	0	0	0	0	0	0	0	0	0		
331	Due from affiliates						2,432	2,426	2,001	2,008	2,006	1,956	1,964	1,967	1,966	1,967	1,966	1,967		
332	Other Current Assets 3						0	0	0	0	0	0	0	0	0	0	0	0		
333	Total Current Assets						31,777	41,802	41,516	40,651	40,657	41,224	39,761	39,026	38,143	38,332	38,908	41,066		
334	PP&E, Net						2,571	2,539	2,544	2,543	2,549	2,561	2,556	2,558	2,555	2,548	2,548	2,522		
336	Intangible Assets						9,014	9,135	9,135	9,135	9,135	9,135	9,135	9,135	9,135	9,135	9,135	9,135		
337	Long term deferred expenses/deposits						1,436	1,855	1,855	1,855	1,660	1,660	1,660	1,708	1,708	1,708	1,708	1,708		
338	Long term deferred expenses						0	0	0	0	0	0	0	0	0	0	0	0		
339	Long term deposits						0	0	0	0	0	0	0	0	0	0	0	0		
340	Total Assets						44,798	55,331	55,050	54,185	54,002	54,580	53,112	52,427	51,541	51,723	52,300	54,431		
341	Accounts Payable						3,174	3,731	3,709	3,862	3,724	3,721	4,041	3,720	3,784	3,666	3,864	4,085		
343	Accrued Expenses and other payables						2,040	12,910	12,647	12,231	12,445	11,638	11,004	11,497	10,901	11,072	11,414	15,695		
345	Accrued compensation						9,933	0	0	0	0	0	0	0	0	0	0	0		
346	Deferred revenue						1,180	0	0	0	0	0	0	0	0	0	0	0		
347	Due to affiliates						12,292	12,292	13,284	12,537	12,545	12,526	12,509	12,526	12,510	12,511	12,529	12,553		
348	Other Current Lia. 4						0	0	0	0	0	0	0	0	0	0	0	0		
349	Total Current Liabilities						28,620	28,934	29,640	28,629	28,714	27,886	27,554	27,743	27,195	27,250	27,807	32,333		
350	RLOC	RLOC Balance is Calculated Here					5,918	15,543	15,027	15,233	14,984	16,101	14,902	13,841	13,403	13,558	13,708	11,093		
352	Capital Leases	(Incl. CPLTD)					423	470	482	491	511	533	549	568	585	602	621	629		
353	Senior Term Debt 2	(Incl. CPLTD)					0	0	0	0	0	0	0	0	0	0	0	0		
354	Senior Term Debt 3	(Incl. CPLTD)					0	0	0	0	0	0	0	0	0	0	0	0		
355	Senior Term Debt 4	(Incl. CPLTD)					0	0	0	0	0	0	0	0	0	0	0	0		
356	Total Senior Debt						6,342	16,013	15,509	15,724	15,495	16,634	15,451	14,410	13,988	14,160	14,329	11,722		
357	Subordinated Debt 1						0	0	0	0	0	0	0	0	0	0	0	0		
358	Subordinated Debt 2						0	0	0	0	0	0	0	0	0	0	0	0		
359	Subordinated Debt 3						0	0	0	0	0	0	0	0	0	0	0	0		
360	Subordinated Debt 4						0	0	0	0	0	0	0	0	0	0	0	0		
361	Accrued PIK Interest						0	0	0	0	0	0	0	0	0	0	0	0		
362	Total Debt						6,342	16,013	15,509	15,724	15,495	16,634	15,451	14,410	13,988	14,160	14,329	11,722		
363	Other LT Liabilities 1						1,124	1,183	1,220	1,255	1,295	1,337	1,375	1,416	1,457	1,497	1,193	1,235		
364	Other LT Liabilities 2						0	0	0	0	0	0	0	0	0	0	0	0		
365	Total Liabilities						36,086	46,130	46,369	45,608	45,504	45,857	44,381	43,569	42,641	42,906	43,328	45,290		
366	Equity 1						0	0	0	0	0	0	0	0	0	0	0	0		
368	Equity 2						0	0	0	0	0	0	0	0	0	0	0	0		
369	Equity 3						0	0	0	0	0	0	0	0	0	0	0	0		
370	Retained Earnings						8,712	9,201	8,681	8,577	8,499	8,723	8,731	8,858	8,900	8,817	8,972	9,141		
371	Total Equity						8,712	9,201	8,681	8,577	8,499	8,723	8,731	8,858	8,900	8,817	8,972	9,141		
372	Total Liabilities & Equity						44,798	55,331	55,050	54,185	54,002	54,580	53,112	52,427	51,541	51,723	52,300	54,431		
373	B/S CHECK						(0)	0	0	0	0	0	0	0	0	0	0	0		
374	RLOC per Management Case						5,918	14,879	17,605	17,808	17,871	19,148	17,899	16,462	16,261	16,719	16,594	13,629		

6. WHOLE WORKSHEET OF DCFM

	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	
							IS M Case	EBITDA	BS M Case	Analysis	Principal	Interest	IS B Case	BS B Case	B Base	FCCR	Cash Flow	
1							8/31/2013	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	
2	<b>IBEX Global Solutions US - Base Case</b>						1											
376	<b>Borrowing Base - Base Case</b>																	
377	<b>Accounts Receivable</b>																	
378	Per Base Case Balance Sheet						26,992	38,287	38,435	37,732	37,759	37,406	35,859	35,241	34,400	34,630	35,248	37
379	Allowance / Reserves (add back)						0	0	0	0	0	0	0	0	0	0	0	0
380	Accounts Receivable - Gross						26,992	38,287	38,435	37,732	37,759	37,406	35,859	35,241	34,400	34,630	35,248	37
381	Accounts Receivable - Trade						26,992	38,287	38,435	37,732	37,759	37,406	35,859	35,241	34,400	34,630	35,248	37
382	% of Total = 100% - Other 1, 2 and 3						100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
383	Ineligible % CHECK Ineligible %						3.4%	3.4%	3.4%	3.4%	3.4%	3.4%	3.4%	3.4%	3.4%	3.4%	3.4%	3.4%
384	Ineligible \$						0	0	0	0	0	0	0	0	0	0	0	0
385	Total Ineligible						3.986%	928	1,317	1,322	1,298	1,299	1,286	1,233	1,212	1,183	1,191	1,212
386	Eligible						1,076	26,064	36,970	37,114	36,435	36,460	36,120	34,626	34,029	33,217	33,439	34,035
387	Advance Rate						85.0%	85.0%	85.0%	85.0%	85.0%	85.0%	85.0%	85.0%	85.0%	85.0%	85.0%	85.0%
388	Available before subline						25,916	22,154	31,424	31,547	30,969	30,991	30,702	29,432	28,925	28,235	28,423	28,930
389	A/R Other Subline						0	0	0	0	0	0	0	0	0	0	0	0
390	Available After Subline						22,154	31,424	31,547	30,969	30,991	30,702	29,432	28,925	28,235	28,423	28,930	30
391	Accounts Receivable - Other 1						0	0	0	0	0	0	0	0	0	0	0	0
392	% of Total						0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
393	Ineligible %						0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
394	Ineligible \$						0	0	0	0	0	0	0	0	0	0	0	0
395	Ineligible						0	0	0	0	0	0	0	0	0	0	0	0
396	Eligible						0	0	0	0	0	0	0	0	0	0	0	0
397	Advance Rate						0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
398	Available before subline						0	0	0	0	0	0	0	0	0	0	0	0
399	A/R Other Subline						0	0	0	0	0	0	0	0	0	0	0	0
400	Available After Subline						0	0	0	0	0	0	0	0	0	0	0	0
401	Accounts Receivable - Other 2						0	0	0	0	0	0	0	0	0	0	0	0
402	% of Total						0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
403	Accounts Receivable - Other 3						0	0	0	0	0	0	0	0	0	0	0	0
404	% of Total						0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
405	<b>Total A/R</b>						26,992	38,287	38,435	37,732	37,759	37,406	35,859	35,241	34,400	34,630	35,248	37
406	Ineligible - Total						928	1,317	1,322	1,298	1,299	1,286	1,233	1,212	1,183	1,191	1,212	1,212
407	Ineligible - % of Total A/R						3.4%	3.4%	3.4%	3.4%	3.4%	3.4%	3.4%	3.4%	3.4%	3.4%	3.4%	3.4%
408	Eligible						26,064	36,970	37,114	36,435	36,460	36,120	34,626	34,029	33,217	33,439	34,035	36
409	Available before (overall) A/R subline						22,154	31,424	31,547	30,969	30,991	30,702	29,432	28,925	28,235	28,423	28,930	30
410	Effective Advance Rate						82.1%	82.1%	82.1%	82.1%	82.1%	82.1%	82.1%	82.1%	82.1%	82.1%	82.1%	82.1%
411	A/R (Overall) Subline						35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35
412	Available After Subline						22,154	31,424	31,547	30,969	30,991	30,702	29,432	28,925	28,235	28,423	28,930	30
413	<b>Total Available A/R</b>						22,154	31,424	31,547	30,969	30,991	30,702	29,432	28,925	28,235	28,423	28,930	30
414	<b>Inventory</b>																	
415	Per Base Case Balance Sheet						0	0	0	0	0	0	0	0	0	0	0	0
416	LIFO / Other Reserves (Add-back)						0	0	0	0	0	0	0	0	0	0	0	0
417	Inventory - Gross						0	0	0	0	0	0	0	0	0	0	0	0
418	Inventory 1						0	0	0	0	0	0	0	0	0	0	0	0
419	% of Total = 100% - Other 1, 2 and 3						100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
420	Ineligible %						0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
421	Ineligible \$						0	0	0	0	0	0	0	0	0	0	0	0
422	Total Ineligible						0	0	0	0	0	0	0	0	0	0	0	0
423	Eligible						0	0	0	0	0	0	0	0	0	0	0	0
424	Advance Rate						0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
425	Available before subline						0	0	0	0	0	0	0	0	0	0	0	0
426	Inventory Subline						0	0	0	0	0	0	0	0	0	0	0	0
427	Available After Subline						0	0	0	0	0	0	0	0	0	0	0	0
428	Inventory 2						0	0	0	0	0	0	0	0	0	0	0	0
429	% of Total						0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
430	Inventory 3						0	0	0	0	0	0	0	0	0	0	0	0
431	% of Total						0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
432	<b>Total Inventory</b>						0	0	0	0	0	0	0	0	0	0	0	0
433	Total Ineligible						0	0	0	0	0	0	0	0	0	0	0	0
434	Total Eligible						0	0	0	0	0	0	0	0	0	0	0	0
435	Effective Advance Rate						0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
436	Available before Inventory (overall) subline						0	0	0	0	0	0	0	0	0	0	0	0
437	Inventory (overall) Subline						0	0	0	0	0	0	0	0	0	0	0	0
438	Available Inventory after Subline						0	0	0	0	0	0	0	0	0	0	0	0



6. WHOLE WORKSHEET OF DCFM

	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S		
								IS M Case	EBITDA	BS M Case	Analysis	Principal	Interest	IS B Case	BS B Case	B Base	FCCR	Cash Flow		
	IBEX Global Solutions US - Base Case						1	8/31/2013	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14	
479	<b>Other Revolver Collateral 1</b>	Description																		
480	Ineligible %	Ineligible %	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
481	Ineligible \$		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
482	Ineligible		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
483	Other Adjustments		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
484	Eligible		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
485	Advance Rate	Advance Rate	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
486	Available		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
487	Subline	Subline	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
488	Available After Subline		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
489																				
490	<b>Other Revolver Collateral 2</b>	Description																		
491			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
501	<b>Other Revolver Collateral 3</b>	Description																		
502			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
512	Total Availability		22,154	31,424	31,547	30,969	30,991	30,702	29,432	28,925	28,235	28,423	28,930	30,734						
513	Line Limit (Revolver Commitment)	Input in Interest section above	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000						
514	Total Availability after Line Limit		22,154	31,424	31,547	30,969	30,991	30,702	29,432	28,925	28,235	28,423	28,930	30,734						
515	Revolver Balance		5,918	15,543	15,027	15,233	14,984	16,101	14,902	13,841	13,403	13,558	13,708	11,093						
516	L/Cs	Input in Interest section above	0	0	0	0	0	0	0	0	0	0	0	0						
517	Reserve 1		78	78	78	78	78	78	78	78	78	78	78	78						
518	Reserve 2		0	0	0	0	0	0	0	0	0	0	0	0						
519	Reserve 3		0	0	0	0	0	0	0	0	0	0	0	0						
520	<b>Excess Availability</b>		<b>16,158</b>	<b>15,804</b>	<b>16,442</b>	<b>15,658</b>	<b>15,930</b>	<b>14,523</b>	<b>14,452</b>	<b>15,005</b>	<b>14,754</b>	<b>14,787</b>	<b>15,144</b>	<b>19,563</b>						
521																				
522	Total Availability Before Line Limits		22,154	31,424	31,547	30,969	30,991	30,702	29,432	28,925	28,235	28,423	28,930	30,734						
523	Suppressed Availability		0	0	0	0	0	0	0	0	0	0	0	0						
524																				
525																				

6. WHOLE WORKSHEET OF DCFM

	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S		
							IS M Case	EBITDA	BS M Case	Analysis	Principal	Interest	IS B Case	BS B Case	B Base	FCCR	Cash Flow			
							8/31/2013	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14		
1																				
2	IBEX Global Solutions US - Base Case																			
526	Fixed Charge Coverage																			
527	Base Case (Underwriting) EBITDA							1,014	372	367	409	704	470	691	536	333		751	805	
528	Other adjustment 1							0	0	0	0	0	0	0	0	0	0	0	0	0
529	Other adjustment 2							0	0	0	0	0	0	0	0	0	0	0	0	0
530	Base Case EBITDA							1,014	372	367	409	704	470	691	536	333		751	805	
531	Memo - Management Case EBITDA							1,014	372	367	409	704	470	691	536	333		751	805	
532	Fixed Charge Coverage - PNC Standard																			
533	Base Case EBITDA							1,014	372	367	409	704	470	691	536	333		751	805	
534	Less:																			
535	Cash Capital Expenditures							51	71	70	76	81	74	80	80	80		86	75	
536	Income Taxes - Base Case							326	(326)	0	0	7	5	84	28	(55)		103	113	
537	Distributions - Income Taxes							0	0	0	0	0	0	0	0	0		0	0	
538	Distributions - Discretionary							0	0	0	0	0	0	0	0	0		0	0	
539	Royalty Payments							0	992	245	253	234	217	234	218	219		237	261	
540	Other 2							0	0	0	0	0	0	0	0	0		0	0	
541	EBITDA - Net							637	(365)	53	80	382	174	293	210	89		325	357	
542	Cash Interest Expense							24	47	45	47	47	45	47	43	44		43	45	
543	Amortization of LT Debt							47	49	50	44	46	47	49	50	52		53	55	
544	Other 3							0	0	0	0	0	0	0	0	0		0	0	
545	Other 4							0	0	0	0	0	0	0	0	0		0	0	
546	Total Fixed Charges							71	96	95	91	92	92	96	93	95		96	100	
547	FCCR - Monthly							8.93x	-3.80x	0.56x	0.88x	4.13x	1.89x	3.07x	2.25x	0.93x		3.38x	3.59x	
548	All in tax rate - informational							40%	39%	0%	0%	3%	40%	40%	40%	40%		40%	40%	
551								Prior 12 Months					Current 12 Months							
552	Fixed Charge Coverage - Standard - Quarterly							1 - 3	4 - 6	7 - 9	10 - 12	Total Yr	1 - 3	4 - 6	7 - 9	10 - 12	Total Yr			
553	Base Case EBITDA							1,441	1,441	1,441	1,441	5,763	1,753	1,583	1,560	2,361	7,257			
554	Less:																			
555	Cash Capital Expenditures							224	224	224	224	896	192	230	240	235		896		
556	Income Taxes - Base Case							389	389	389	389	1,557	0	13	57	330		400		
557	Distributions - Income Taxes							0	0	0	0	0	0	0	0	0		0		
558	Distributions - Discretionary							0	0	0	0	0	0	0	0	0		0		
559	Royalty Payments							0	0	0	494	494	1,237	705	672	758		3,372		
560	Other 2							0	0	0	0	0	0	0	0	0		0		
561	EBITDA - Net							828	828	828	334	2,816	325	635	591	1,038		2,589		
562	Cash Interest Expense							128	128	128	128	513	116	138	133	126		513		
563	Amortization of LT Debt							149	149	149	149	594	146	138	151	159		594		
564	Other 3							0	0	0	0	0	0	0	0	0		0		
565	Other 4							0	0	0	0	0	0	0	0	0		0		
566	Total Fixed Charges							277	277	277	277	1,108	262	276	284	285		1,108		
567	FCCR - Quarterly							2.99x	2.99x	2.99x	1.20x	2.54x	1.24x	2.30x	2.08x	3.64x		2.34x		
568	FCCR - Build-up												1.24x	1.78x	1.89x		2.34x			
569	FCCR - TTM												2.12x	1.94x	1.71x		2.34x			
570													5.95x	5.39x	5.06x		5.38x			

6. WHOLE WORKSHEET OF DCFM

	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U
1							IS.M Case	EBITDA	BS.M Case	Analysis	Principal	Interest	IS.B Case	BS.B Case	B.Base	ECCR	Cash Flow			
2	IBEX Global Solutions US - Base Case				1		8/31/2013	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14	Aug-14	TOTAL
571	Fixed Charge Coverage - Optional																			
625													3.70x	3.61x	3.73x	5.38x				

6. WHOLE WORKSHEET OF DCFM

	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U							
1	IBEX Global Solutions US - Base Case																IS M Case	EBITDA	BS M Case	Analysis	Principal	Interest	IS B Case	BS B Case	B Base	FCCR	Cash Flow
2					1		8/31/2013	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14	Aug-14	TOTAL							
626	Leverage												Current 12 Months														
627													Q1	Q2	Q3	Q4											
628	Total Senior Debt												15,724	15,451	14,160	13,381											
629	Total Debt												15,724	15,451	14,160	13,381											
630	Senior Leverage - YTD Based on annualized YTD Adjusted Base Case EBITDA												2.24x	2.32x	2.17x	1.84x											
631	Total Leverage - YTD Based on annualized YTD Adjusted Base Case EBITDA												2.24x	2.32x	2.17x	1.84x											
632	Senior Leverage - TTM												2.59x	2.49x	2.23x	1.84x											
633	Total Leverage - TTM												2.59x	2.49x	2.23x	1.84x											
634																											

6. WHOLE WORKSHEET OF DCFM

	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U
1							IS M Case	EBITDA	BS M Case	Analysis	Principal	Interest	IS B Case	BS B Case	B Base	FCCR	Cash Flow			
2	IBEX Global Solutions US - Base Case		8/31/2013	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14	Aug-14	TOTAL				
635	Cash Flow Statement (Net Change in RLOC)																			
636																				
637	<b>Operating Activities</b>																			
638	Net Income			489	(520)	(104)	(78)	225	8	127	42	(83)	155	169	171	600				
639	Depreciation			133	137	141	145	149	153	158	162	167	172	176	180	1,872				
640	Amortization			-	-	-	-	-	-	-	-	-	-	-	-	-				
641	PIK Interest			-	-	-	-	-	-	-	-	-	-	-	-	-				
642																				
643	Net change in Working Capital Accounts																			
644	Cash			-	-	-	-	-	-	-	-	-	-	-	-	-				
645	Accounts Receivable			(11,295)	(149)	703	(27)	352	1,547	618	840	(229)	(618)	(2,198)	(1,823)	(12,277)				
646	Other Receivables			-	-	-	-	-	-	-	-	-	-	-	-	-				
647	Inventory			-	-	-	-	-	-	-	-	-	-	-	-	-				
648	Prepays and deferred expenses			1,264	10	169	18	(969)	(76)	119	41	41	41	41	41	741				
649	Deferred expenses			-	-	-	-	-	-	-	-	-	-	-	-	-				
650	Due from affiliates			6	425	(7)	2	50	(8)	(2)	1	(1)	1	(1)	-	465				
651	Other Current Assets 3			-	-	-	-	-	-	-	-	-	-	-	-	-				
652	Accounts Payable			557	(22)	153	(138)	(3)	320	(321)	64	(118)	198	221	-	911				
653				-	-	-	-	-	-	-	-	-	-	-	-	-				
654	Accrued Expenses and other payables			10,870	(264)	(416)	214	(807)	(634)	493	(596)	172	341	4,282	(121)	13,534				
655	Accrued compensation			(9,933)	-	-	-	-	-	-	-	-	-	-	-	(9,933)				
656	Deferred revenue			(1,180)	-	-	-	-	-	-	-	-	-	-	-	(1,180)				
657	Due to affiliates			0	992	(748)	9	(19)	(17)	17	(16)	1	17	24	-	261				
658	Other Current Lia. 4			-	-	-	-	-	-	-	-	-	-	-	-	-				
659	PIK Interest Included in Accrued Liabilities			-	-	-	-	-	-	-	-	-	-	-	-	-				
660	Total Working Capital (Incr) Decr			(9,711)	992	(146)	79	(1,395)	1,132	924	335	(134)	(20)	2,368	(1,903)	(7,479)				
661	Total - Operating Activities			(9,089)	609	(110)	146	(1,021)	1,293	1,208	539	(50)	306	2,714	(1,552)	(5,008)				
662																				
663	<b>Investing &amp; Financing Activities</b>																			
664	Capital Expenditures			(101)	(142)	(140)	(151)	(161)	(148)	(160)	(159)	(160)	(172)	(149)	(149)	(1,792)				
665	PP&E - Dispositions and Other			-	-	-	-	-	-	-	-	-	-	-	-	-				
666	Net change in Other Assets			(540)	-	-	195	-	(48)	-	-	-	-	-	-	(393)				
667	Net change in Other Liabilities			59	37	35	40	42	38	41	41	39	(304)	42	42	153				
668	Additions to LT Debt			94	60	59	64	68	63	68	68	68	73	63	88	837				
669	Payments of LT Debt			(47)	(49)	(50)	(44)	(46)	(47)	(49)	(50)	(52)	(53)	(55)	(51)	(594)				
670	Distributions			-	-	-	-	-	-	-	-	-	-	-	-	-				
671	Other changes in Equity			-	-	-	-	-	-	-	-	-	-	-	-	-				
672	Total - Investing & Financing Activities			(535)	(93)	(96)	103	(96)	(94)	(147)	(101)	(105)	(456)	(99)	(70)	(1,789)				
673	Net Change in RLOC			9,625	(516)	206	(249)	1,118	(1,199)	(1,061)	(438)	155	150	(2,615)	1,622	6,797				
674	RLOC - Beginning of Period			5,918	15,543	15,027	15,233	14,984	16,101	14,902	13,841	13,403	13,558	13,708	11,093	5,918				
675	RLOC - End of Period			15,543	15,027	15,233	14,984	16,101	14,902	13,841	13,403	13,558	13,708	11,093	12,715	12,715				
676	Check			0	(0)	0	-	-	-	-	-	-	-	-	-	0				

## 6. WHOLE WORKSHEET OF DCFM

	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U
1																				
2	IBEX Global Solutions US - Base Case																			
677	Net Change in Balance Sheet Accounts																			
678	Cash																			
679	Accounts Receivable																			
680	Other Receivables																			
681	Inventory																			
682	Prepays and deferred expenses																			
683	Deferred expenses																			
684	Due from affiliates																			
685	Other Current Assets 3																			
686																				
687																				
688	PP&E, Net																			
689	Intangible Assets																			
690	Long term deferred expenses/deposits																			
691	Long term deferred expenses																			
692	Long term deposits																			
693																				
694																				
695	Accounts Payable																			
696																				
697	Accrued Expenses and other payables																			
698	Accrued compensation																			
699	Deferred revenue																			
700	Due to affiliates																			
701	Other Current Lia. 4																			
702																				
703																				
704	RLOC																			
705	Capital Leases																			
706	Senior Term Debt 2																			
707	Senior Term Debt 3																			
708	Senior Term Debt 4																			
709																				
710	Subordinated Debt 1																			
711	Subordinated Debt 2																			
712	Subordinated Debt 3																			
713	Subordinated Debt 4																			
714	Accrued PIK Interest																			
715																				
716	Other LT Liabilities 1																			
717	Other LT Liabilities 2																			
718																				
719																				
720	Equity 1																			
721	Equity 2																			
722	Equity 3																			
723	Retained Earnings																			
724																				
725	Net change in assets																			
726	Net change in Lia and Equity																			
727	Net change in RLOC - check																			

6. WHOLE WORKSHEET OF DCFM

	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	
	IBEX Global Solutions US - Base Case						IS M Case	EBITDA	BS M Case	Analysis	Principal	Interest	IS B Case	BS B Case	B Base	FCCR	Cash Flow	
							8/31/2013	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	
	Income Statement - Management Case						8/31/2013	Days in Mo.	30	31	30	31	31	28	31	30	31	30
	TIM																	
5	Net Sales 1					138,800		14,442	14,033	13,973	14,461	13,397	12,419	13,381	12,485	12,542	13,540	
6	Net Sales 2				0			0	0	0	0	0	0	0	0	0	0	
7	Net Sales 3				0			0	0	0	0	0	0	0	0	0	0	
8	Total Revenue				138,800		14,442	14,033	13,973	14,461	13,397	12,419	13,381	12,485	12,542	13,540		
9	COGS (Variable)	% Variable	80.0%		94,476		9,764	9,846	9,817	10,167	9,063	8,490	9,061	8,492	8,699	9,138		
10	COGS (Fixed)	% Fixed	20.0%		23,619		2,441	2,461	2,454	2,542	2,266	2,123	2,265	2,123	2,175	2,285		
11	Total COGS				118,095		12,205	12,307	12,272	12,709	11,329	10,613	11,326	10,615	10,873	11,423		
12	COGS % of Revenue				85.1%		84.5%	87.7%	87.8%	87.9%	84.6%	85.5%	84.6%	85.0%	86.7%	84.4%		
13	Gross Profit				20,705		2,237	1,726	1,701	1,753	2,068	1,806	2,055	1,870	1,669	2,117		
14	Gross Margin % of Revenue				14.9%		15.5%	12.3%	12.2%	12.1%	15.4%	14.5%	15.4%	15.0%	13.3%	15.6%		
15	SG&A				14,952		1,224	1,354	1,334	1,344	1,364	1,335	1,364	1,334	1,336	1,366		
16	Depreciation and Amort				1,358		133	137	141	145	149	153	158	162	167	172		
17	Stock Based Comp/ESOP				428		42	42	42	42	42	42	42	42	42	42		
18	Exceptional Loss				13,632		0	992	245	253	234	217	234	218	219	237		
19	Total Operating Expenses				30,370		1,398	2,525	1,761	1,784	1,790	1,748	1,798	1,757	1,764	1,816		
20	Total Operating Expenses % of Revenue				21.9%		9.7%	18.0%	12.6%	12.3%	13.4%	14.1%	13.4%	14.1%	14.1%	13.4%		
21	Operating Income				(9,665)		839	(799)	(59)	(31)	279	58	258	114	(95)	300		
22	Gain on disposal of asset				0		0	0	0	0	0	0	0	0	0	0		
23	Other Expense/(Income)				(11)		0	0	0	0	0	0	0	0	0	0		
24	Other Expense 3				0		0	0	0	0	0	0	0	0	0	0		
25	Total Non-operating Expenses				(11)		0	0	0	0	0	0	0	0	0	0		
26	Earnings Before Interest and Taxes				(9,654)		839	(799)	(59)	(31)	279	58	258	114	(95)	300		
27	Interest Expense	Used for N/I Tie-Out Only			1,817		141	940	68	69	71	72	69	67	69	70		
28	Earnings Before Taxes				(11,471)		699	(1,738)	(128)	(100)	207	(14)	189	46	(164)	230		
29	Income Taxes				(1,385)		0	0	0	0	0	0	0	0	0	0		
30	Net Income				(10,086)		699	(1,738)	(128)	(100)	207	(14)	189	46	(164)	230		
31																		
32	<b>EBITDA</b>																	
33	Net Income				(10,086)		699	(1,738)	(128)	(100)	207	(14)	189	46	(164)	230		
34	Depreciation	Note: Depr and Amort must be separately identified			1,358		133	137	141	145	149	153	158	162	167	172		
35	Amortization				0		0	0	0	0	0	0	0	0	0	0		
36	Interest Expense				1,817		141	940	68	69	71	72	69	67	69	70		
37	Income Taxes				(1,385)		0	0	0	0	0	0	0	0	0	0		
38	<b>EBITDA - Unadjusted</b>				(8,296)		972	(662)	81	114	428	211	416	276	72	472		
39	ESOP				0		42	42	42	42	42	42	42	42	42	42		
40	Royalty Payments				(13)		0	992	245	253	234	217	234	218	219	237		
41	EBITDA Adjustment 3				14,072		0	0	0	0	0	0	0	0	0	0		
42	<b>Management Case EBITDA</b>				5,763		1,014	372	367	409	704	470	691	536	333	751		
43	EBITDA Adjustment 1 (Underwriting)				0		0	0	0	0	0	0	0	0	0	0		
44	EBITDA Adjustment 2 (Underwriting)				0		0	0	0	0	0	0	0	0	0	0		
45	EBITDA Adjustment 3 (Underwriting)				0		0	0	0	0	0	0	0	0	0	0		
46	Base Case (Underwriting) EBITDA				5,763		1,014	372	367	409	704	470	691	536	333	751		
47																		

6. WHOLE WORKSHEET OF DCFM

	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U
							IS M Case	EBITDA	BS M Case	Analysis	Principal	Interest	IS B Case	BS B Case	B Base	FCCR	Cash Flow			
							8/31/2013	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14	Aug-14	TOTAL
1																				
2	IBEX Global Solutions US - Base Case																			
48	Balance Sheet - Management Case						Opening BS													
49	Cash						0	216	2,231	2,197	2,476	2,606	2,522	2,194	2,422	2,631	2,731	2,462	1,953	
50	Accounts Receivable						26,992	38,287	38,435	37,732	37,759	37,406	35,859	35,241	34,400	34,630	35,248	37,446	39,268	
51	Other Receivables						0	0	0	0	0	0	0	0	0	0	0	0	0	
52	Inventory						0	0	0	0	0	0	0	0	0	0	0	0	0	
53	Prepays and deferred expenses						2,353	1,089	1,080	911	893	1,862	1,937	1,818	1,777	1,736	1,695	1,653	1,612	
54	Deferred expenses						0	0	0	0	0	0	0	0	0	0	0	0	0	
55	Due from affiliates						2,432	2,426	2,001	2,008	2,006	1,956	1,964	1,967	1,966	1,967	1,966	1,967	1,967	
56	Other Current Assets 3						0	0	0	0	0	0	0	0	0	0	0	0	0	
57	Total Current Assets						31,777	42,018	43,747	42,848	43,133	43,830	42,283	41,220	40,565	40,963	41,639	43,528	44,800	
58																				
59	PP&E, Net						2,571	2,539	2,544	2,543	2,550	2,561	2,556	2,558	2,555	2,548	2,549	2,522	2,491	
60	Intangible Assets						9,014	9,135	9,135	9,135	9,135	9,135	9,135	9,135	9,135	9,135	9,135	9,135	9,135	
61	Long term deferred expenses/deposits						1,436	1,855	1,855	1,855	1,660	1,660	1,660	1,708	1,708	1,708	1,708	1,708	1,708	
62	Long term deferred expenses						0	0	0	0	0	0	0	0	0	0	0	0	0	
63	Long term deposits						0	0	0	0	0	0	0	0	0	0	0	0	0	
64	Total Assets						44,798	55,547	57,282	56,382	56,479	57,186	55,634	54,622	53,964	54,355	55,031	56,893	58,135	
65																				
66	Accounts Payable						3,174	3,731	3,709	3,862	3,724	3,721	4,041	3,720	3,784	3,666	3,864	4,085	4,085	
67																				
68	Accrued Expenses and other payables						2,040	12,910	12,647	12,231	12,445	11,638	11,004	11,497	10,901	11,072	11,414	15,695	15,574	
69	Accrued compensation						9,933	0	0	0	0	0	0	0	0	0	0	0	0	
70	Deferred revenue						1,180	0	0	0	0	0	0	0	0	0	0	0	0	
71	Due to affiliates						12,292	12,292	13,284	12,537	12,545	12,526	12,509	12,526	12,510	12,511	12,529	12,553	12,553	
72	Other Current Lia. 4						0	0	0	0	0	0	0	0	0	0	0	0	0	
73	Total Current Liabilities						28,620	28,934	29,640	28,629	28,714	27,886	27,554	27,743	27,195	27,250	27,807	32,333	32,211	
74																				
75	RLOC						5,918	14,879	17,605	17,808	17,871	19,148	17,899	16,462	16,261	16,719	16,594	13,629	14,663	
76	Capital Leases (Inclng CPLTD)						423	407	378	348	325	302	276	249	222	192	480	446	441	
77	Senior Term Debt 2 (Inclng CPLTD)						0	0	0	0	0	0	0	0	0	0	0	0	0	
78	Senior Term Debt 3 (Inclng CPLTD)						0	0	0	0	0	0	0	0	0	0	0	0	0	
79	Senior Term Debt 4 (Inclng CPLTD)						0	0	0	0	0	0	0	0	0	0	0	0	0	
80	Total Senior Debt						6,342	15,286	17,983	18,156	18,196	19,450	18,174	16,712	16,482	16,912	17,074	14,075	15,105	
81	Subordinated Debt 1						0	0	0	0	0	0	0	0	0	0	0	0	0	
85	Accrued PIK Interest						0	0	0	0	0	0	0	0	0	0	0	0	0	
86	Total Debt						6,342	15,286	17,983	18,156	18,196	19,450	18,174	16,712	16,482	16,912	17,074	14,075	15,105	
87	Other LT Liabilities 1						1,124	1,183	1,220	1,255	1,295	1,337	1,375	1,416	1,457	1,497	1,193	1,235	1,277	
88	Other LT Liabilities 2						0	0	0	0	0	0	0	0	0	0	0	0	0	
89	Total Liabilities						36,086	45,403	48,843	48,040	48,205	48,673	47,104	45,871	45,135	45,658	46,073	47,642	48,593	
90																				
91	Equity 1						0	0	0	0	0	0	0	0	0	0	0	0	0	
94	Retained Earnings						8,712	10,144	8,438	8,341	8,273	8,512	8,530	8,750	8,828	8,696	8,958	9,250	9,541	
95	Total Equity						8,712	10,144	8,438	8,341	8,273	8,512	8,530	8,750	8,828	8,696	8,958	9,250	9,541	
96	Total Liabilities & Equity						44,798	55,547	57,281	56,381	56,478	57,185	55,633	54,621	53,963	54,354	55,031	56,893	58,134	
97																				
98	B/S CHECK						(0)	1	1	1	1	1	1	1	1	1	1	1	1	



6. WHOLE WORKSHEET OF DCFM

	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q
1																
2	IBEX Global Solutions US - Base Case															
99	Management Case - Account Analysis															
100																
101	Accounts Receivable - Days Sales Outstanding						0.0	79.5	84.9	81.0	80.9	86.6	80.9	81.6	82.7	85.6
102	Increase (Decrease)	Adjustment not typically needed here					N/A	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
103	A/R DSOs - Base Case	Use Sensitized Case					0.0	79.5	84.9	81.0	80.9	86.6	80.9	81.6	82.7	85.6
104	Inventory - Days COGS Outstanding						0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
105	Increase (Decrease)	Adjustment not typically needed here					N/A	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
106	Inventory Days COGS - Base Case	Use Sensitized Case					0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
107	Accounts Payable - Days COGS Outstanding						0.0	9.2	9.3	9.4	9.1	10.2	10.7	10.2	10.7	10.5
108	Increase (Decrease)	Adjustment not typically needed here					N/A	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
109	A/P Days COGS - Base Case	Use Sensitized Case					0.0	9.2	9.3	9.4	9.1	10.2	10.7	10.2	10.7	10.5
110																
111	PP&E, Net															
112	Beginning Balance					Per Opening BS	2,571	2,539	2,544	2,543	2,549	2,561	2,556	2,558	2,555	
113	Depreciation	From EBITDA calculation above					(133)	(137)	(141)	(145)	(149)	(153)	(158)	(162)	(167)	
114	Capital Expenditures - Cash	CHECK W/ CARL ABOUT CAPEX					51	71	70	76	81	74	80	80	80	
115	Capital Expenditures - Financed	Supported by Term Debt Additions? - Verify					51	71	70	76	81	74	80	80	80	
116	Capital Expenditures - Total						101	142	140	151	161	148	160	159	160	
117	(Disposals and Other Adjs)						0	0	0	0	0	0	0	0	0	
118	Ending Balance - Base Case	This total is used in the Base Case Balance Sheet					2,539	2,544	2,543	2,549	2,561	2,556	2,558	2,555	2,548	
119	Ending Balance - Management Case						2,539	2,544	2,543	2,550	2,561	2,556	2,558	2,555	2,548	
120	Unidentified Difference	If not -0- Depr/Capex/Disposals do not reconcile					(0)	(0)	0	(0)	0	(0)	(0)	(0)	0	
121																
122	Retained Earnings															
123	Beginning Balance					Per Opening BS	8,712	9,411	7,672	7,545	7,445	7,652	7,638	7,827	7,873	
124	Net Income						699	(1,738)	(128)	(100)	207	(14)	189	46	(164)	
125	(Distributions - Income Taxes)	Used in Fixed Charge Coverage					0	0	0	0	0	0	0	0	0	
126	(Distributions - Discretionary)	Used in Fixed Charge Coverage					0	0	0	0	0	0	0	0	0	
127	Ending Balance						9,411	7,672	7,545	7,445	7,652	7,638	7,827	7,873	7,709	
128	Ending Balance - Management Case						10,144	8,438	8,341	8,273	8,512	8,530	8,750	8,828	8,696	
129	Unidentified Difference	ESOP and RE Earnings Movement					(733)	(765)	(797)	(828)	(860)	(892)	(923)	(955)	(987)	
130																
131	Effective Tax Rate - Management Case						0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
132	Effective Tax Rate - Base Case	Set Base Case Tax Rate (override)					40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	
133	Typically 0%, adjust in Sensitized Case, override only management case requires a change based on discussion with management															

6. WHOLE WORKSHEET OF DCFM

	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	
1							IS M Case	EBITDA	BS M Case	Analysis	Principal	Interest	IS B Case	BS B Case	B Base	FCCR	Cash Flow		
2	IBEX Global Solutions US - Base Case					1	8/31/2013	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14	Aug-14
134	Term and Subordinated Debt Analysis																		
135																			
136	<b>Capital Leases</b>																		
137	Beginning Balance					Per Opening BS	423	470	482	491	511	533	549	568	585	602	621		
138	Additions	CHECK W/ CARL					94	60	59	64	68	63	68	68	68	73	63		
139	Amortization						47	49	50	44	46	47	49	50	52	53	55		
140	Ending Balance	Calculated balance is used in the Base Case Bal Sht					470	482	491	511	533	549	568	585	602	621	629		
141	Ending Balance - Management Case						407	378	348	325	302	276	249	222	192	480	446		
142	Unidentified Difference						63	104	143	186	231	274	319	364	409	141	183		
143																			
144	<b>Senior Term Debt 2</b>																		
151																			
152	<b>Senior Term Debt 3</b>																		
159																			
160	<b>Senior Term Debt 4</b>																		
167																			
168	<b>Subordinated Debt 1</b>																		
169	Beginning Balance					Per Opening BS	0	0	0	0	0	0	0	0	0	0	0	0	0
170	Additions						0	0	0	0	0	0	0	0	0	0	0	0	0
171	Amortization						0	0	0	0	0	0	0	0	0	0	0	0	0
172	PIK Interest	See Subordinated Debt Interest below					0	0	0	0	0	0	0	0	0	0	0	0	0
173	Ending Balance	Calculated balance is used in the Base Case Bal Sht					0	0	0	0	0	0	0	0	0	0	0	0	0
174	Ending Balance - Management Case						0	0	0	0	0	0	0	0	0	0	0	0	0
175	Unidentified Difference						0	0	0	0	0	0	0	0	0	0	0	0	0
176																			
177	<b>Subordinated Debt 2</b>																		
185																			
186	<b>Subordinated Debt 3</b>																		
194																			
195	<b>Subordinated Debt 4</b>																		
203																			
204	Total Additions to Debt						94	60	59	64	68	63	68	68	68	73	63		
205	Total Amortization						47	49	50	44	46	47	49	50	52	53	55		
206																			

6. WHOLE WORKSHEET OF DCFM

	B	C	D	E	F	G	H	I	J	K	L	M	N
1													
2	IBEX Global Solutions US - Base Case				1		IS M Case	EBITDA	BS M Case	Analysis	Principal	Interest	IS B Cas
207	Interest Expense						8/31/2013	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14
208													
209	<b>RLOC</b>												
210	Revolver Commitment	LIBOR	0.25%		Commitment		35,000	35,000	35,000	35,000	35,000	35,000	35,000
211	L/Cs	Prime	3.25%		L/Cs		0	0	0	0	0	0	0
212													
213	Beginning Balance	LIBOR Floor	0.00%		Total %		Allocation %	5,918	15,543	15,027	15,233	14,984	16,100
214	Interest Expense - LIBOR	L+ Spread	2.50%		2.75%		75%	10	28	26	27	27	27
215	Interest Expense - Prime	P+ Spread	0.25%		3.50%		25%	4	12	11	11	11	11
216	L/C Fees	L/C Fee			2.75%			0	0	0	0	0	0
217	Unused Line Fee	Unused Line Fee			0.25%			6	4	4	4	4	4
218	Total Interest Expense	Days 360 or 365			360			21	44	41	43	42	42
219													
220	<b>Capital Leases</b>												
221	Beginning Balance	LIBOR Floor	0.00%		Total %		Allocation %	423	470	482	491	511	530
222	Interest Expense - LIBOR	L+ Spread	6.00%		10.00%		100%	3	4	4	4	4	4
223	Interest Expense - Prime	P+ Spread	3.00%		6.25%		0%	0	0	0	0	0	0
224	Total Interest Expense	Days 360 or 365			365			3	4	4	4	4	4
225													
226	<b>Senior Term Debt 2</b>												
231													
232	<b>Senior Term Debt 3</b>												
237													
238	<b>Senior Term Debt 4</b>												
243													
244	<b>Subordinated Debt 1</b>												
245	Beginning Balance	LIBOR Floor	0.00%		Total %		Allocation %	0	0	0	0	0	0
246	Interest Expense - LIBOR	L+ Spread	0.00%		0.25%		0%	0	0	0	0	0	0
247	Interest Expense - Prime	P+ Spread	0.00%		3.25%		0%	0	0	0	0	0	0
248	Interest Expense - Fixed	Fixed Rate			0.00%		100%	0	0	0	0	0	0
249	Total Cash Interest Expense							0	0	0	0	0	0
250	Interest Expense - PIK	PIK Rate	0.00%					0	0	0	0	0	0
251	Total Interest Expense	PIK Accrual	1			See Note (1, 2 or 3)		0	0	0	0	0	0
252	Note: PIK Accrual method: 1 = add to debt balance (compounds); 2 = add to Accrued PIK Interest (no compounding); 3 = already included in Management Case Accrued Liabilities												
253	<b>Subordinated Debt 2</b>												
262	<b>Subordinated Debt 3</b>												
271	<b>Subordinated Debt 4</b>												
280	PIK Interest Added to Loan Balance							0	0	0	0	0	0
281	PIK Interest Added to Accrued Interest							0	0	0	0	0	0
282	PIK Interest is included in Mgt Case accrued lia.							0	0	0	0	0	0
283	Total PIK Interest							0	0	0	0	0	0
284													
285	Total Senior Interest Expense							24	47	45	47	47	47
286	Total Subordinated Interest Expense							0	0	0	0	0	0
287	<b>Total Interest Expense</b>							24	47	45	47	47	47
288													
289	Total Cash Interest Expense							24	47	45	47	47	47
290	Total PIK Interest Expense							0	0	0	0	0	0
291	<b>Total Interest Expense</b>							24	47	45	47	47	47
292	Total Interest Expense - Management Case							141	940	68	69	71	71

6. WHOLE WORKSHEET OF DCFM

	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S
							IS M Case	EBITDA	BS M Case	Analysis	Principal	Interest	IS B Case	BS B Case	B Base	FCCR	Cash Flow	
							8/31/2013	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14
1																		
2	<b>IBEX Global Solutions US - Base Case</b>																	
293	<b>Income Statement - Base Case</b>																	
294	Net Sales 1						14,442	14,033	13,973	14,461	13,397	12,419	13,381	12,485	12,542	13,540	14,894	
295	Net Sales 2						0	0	0	0	0	0	0	0	0	0	0	0
296	Net Sales 3						0	0	0	0	0	0	0	0	0	0	0	0
297	Total Revenue						14,442	14,033	13,973	14,461	13,397	12,419	13,381	12,485	12,542	13,540	14,894	
298	COGS (Variable)						9,764	9,846	9,817	10,167	9,063	8,490	9,061	8,492	8,699	9,138	10,068	
299	COGS (Fixed)						2,441	2,461	2,454	2,542	2,266	2,123	2,265	2,123	2,175	2,285	2,517	
300	Total COGS						12,205	12,307	12,272	12,709	11,329	10,613	11,326	10,615	10,873	11,423	12,585	
301	COGS % of Revenue						84.5%	87.7%	87.8%	87.9%	84.6%	85.5%	84.6%	85.0%	86.7%	84.4%	84.4%	
302	Gross Profit						2,237	1,726	1,701	1,753	2,068	1,806	2,055	1,870	1,669	2,117	2,308	
303	Gross Margin % of Revenue						15.5%	12.3%	12.2%	12.1%	15.4%	14.5%	15.4%	15.0%	13.3%	15.6%	15.5%	
304	SG&A						1,224	1,354	1,334	1,344	1,364	1,335	1,364	1,334	1,336	1,366	1,503	
305	Depreciation and Amort						133	137	141	145	149	153	158	162	167	172	176	
306	Stock Based Comp/ESOP						42	42	42	42	42	42	42	42	42	42	42	
307	Exceptional Loss						0	992	245	253	234	217	234	218	219	237	261	
308	Total Operating Expenses						1,398	2,525	1,761	1,784	1,790	1,748	1,798	1,757	1,764	1,816	1,981	
309	Total Operating Expenses % of Revenue						9.7%	18.0%	12.6%	12.3%	13.4%	14.1%	13.4%	14.1%	14.1%	13.4%	13.3%	
310	Operating Income						839	(799)	(59)	(31)	279	58	258	114	(95)	300	327	
311	Gain on disposal of asset						0	0	0	0	0	0	0	0	0	0	0	
312	Other Expense/(Income)						0	0	0	0	0	0	0	0	0	0	0	
313	Other Expense 3						0	0	0	0	0	0	0	0	0	0	0	
314	Total Non-operating Expenses						0	0	0	0	0	0	0	0	0	0	0	
315	Earnings Before Interest and Taxes						839	(799)	(59)	(31)	279	58	258	114	(95)	300	327	
316	Interest Expense	Calculated in Interest Section Line 248					24	47	45	47	47	45	47	43	44	43	45	
317	Earnings Before Taxes						815	(846)	(104)	(78)	232	13	211	71	(139)	258	282	
318	Income Taxes (before cumulative limit of \$0)	This line used only in calculating the					326	(338)	(42)	(31)	93	5	84	28	(55)	103	113	
319	Income Taxes (cumulative total limited to \$0)	cumulative \$0 limit					326	(326)	0	0	7	5	84	28	(55)	103	113	
320	Net Income - Base Case						489	(520)	(104)	(78)	225	8	127	42	(83)	155	165	
321																		
322	Net Income - Management Case						699	(1,738)	(128)	(100)	207	(14)	189	46	(164)	230	261	
323																		

6. WHOLE WORKSHEET OF DCFM

	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	
1							IS M Case	EBITDA	BS M Case	Analysis	Principal	Interest	IS B Case	BS B Case	B Base	ECCR	Cash Flo	
2	IBEX Global Solutions US - Base Case				1	8/31/2013	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-1		
324	Balance Sheet - Base Case					Opening BS												
325	Cash					0	0	0	0	0	0	0	0	0	0	0	0	0
326	Accounts Receivable					26,992	38,287	38,435	37,732	37,759	37,406	35,859	35,241	34,400	34,630	35,241	35,241	
327	Other Receivables					0	0	0	0	0	0	0	0	0	0	0	0	
328	Inventory					0	0	0	0	0	0	0	0	0	0	0	0	
329	Prepays and deferred expenses					2,353	1,089	1,080	911	893	1,862	1,937	1,818	1,777	1,736	1,662	1,662	
330	Deferred expenses					0	0	0	0	0	0	0	0	0	0	0	0	
331	Due from affiliates					2,432	2,426	2,001	2,008	2,006	1,956	1,964	1,967	1,966	1,967	1,967	1,967	
332	Other Current Assets 3					0	0	0	0	0	0	0	0	0	0	0	0	
333	Total Current Assets					31,777	41,802	41,516	40,651	40,657	41,224	39,761	39,026	38,143	38,332	38,332	38,990	
334																		
335	PP&E, Net					2,571	2,539	2,544	2,543	2,549	2,561	2,556	2,558	2,555	2,548	2,548	2,548	
336	Intangible Assets					9,014	9,135	9,135	9,135	9,135	9,135	9,135	9,135	9,135	9,135	9,135	9,135	
337	Long term deferred expenses/deposits					1,436	1,855	1,855	1,855	1,660	1,660	1,660	1,708	1,708	1,708	1,708	1,708	
338	Long term deferred expenses					0	0	0	0	0	0	0	0	0	0	0	0	
339	Long term deposits					0	0	0	0	0	0	0	0	0	0	0	0	
340	Total Assets					44,798	55,331	55,050	54,185	54,002	54,580	53,112	52,427	51,541	51,723	52,300	52,300	
341																		
342	Accounts Payable					3,174	3,731	3,709	3,862	3,724	3,721	4,041	3,720	3,784	3,666	3,666	3,666	
343	Accrued Expenses and other payables					0	0	0	0	0	0	0	0	0	0	0	0	
344	Accrued compensation					2,040	12,910	12,647	12,231	12,445	11,638	11,004	11,497	10,901	11,072	11,072	11,411	
345	Deferred revenue					9,933	0	0	0	0	0	0	0	0	0	0	0	
346	Due to affiliates					1,180	0	0	0	0	0	0	0	0	0	0	0	
347	Other Current Lia. 4					12,292	12,292	13,284	12,537	12,545	12,526	12,509	12,526	12,510	12,511	12,511	12,526	
348	Total Current Liabilities					28,620	28,934	29,640	28,629	28,714	27,886	27,554	27,743	27,195	27,250	27,886	27,886	
349																		
350																		
351	RLOC				RLOC Balance is Calculated Here	5,918	15,543	15,027	15,233	14,984	16,101	14,902	13,841	13,403	13,558	13,702	13,702	
352	Capital Leases				(Incl. CPLTD)	423	470	482	491	511	533	549	568	585	602	602	602	
353	Senior Term Debt 2				(Incl. CPLTD)	0	0	0	0	0	0	0	0	0	0	0	0	
354	Senior Term Debt 3				(Incl. CPLTD)	0	0	0	0	0	0	0	0	0	0	0	0	
355	Senior Term Debt 4				(Incl. CPLTD)	0	0	0	0	0	0	0	0	0	0	0	0	
356	Total Senior Debt					6,342	16,013	15,509	15,724	15,495	16,634	15,451	14,410	13,988	14,160	14,332	14,332	
357	Subordinated Debt 1					0	0	0	0	0	0	0	0	0	0	0	0	
358	Subordinated Debt 2					0	0	0	0	0	0	0	0	0	0	0	0	
359	Subordinated Debt 3					0	0	0	0	0	0	0	0	0	0	0	0	
360	Subordinated Debt 4					0	0	0	0	0	0	0	0	0	0	0	0	
361	Accrued PIK Interest					0	0	0	0	0	0	0	0	0	0	0	0	
362	Total Debt					6,342	16,013	15,509	15,724	15,495	16,634	15,451	14,410	13,988	14,160	14,332	14,332	
363	Other LT Liabilities 1					1,124	1,183	1,220	1,255	1,295	1,337	1,375	1,416	1,457	1,497	1,497	1,497	
364	Other LT Liabilities 2					0	0	0	0	0	0	0	0	0	0	0	0	
365	Total Liabilities					36,086	46,130	46,369	45,608	45,504	45,857	44,381	43,569	42,641	42,906	43,332	43,332	
366																		
367	Equity 1					0	0	0	0	0	0	0	0	0	0	0	0	
368	Equity 2					0	0	0	0	0	0	0	0	0	0	0	0	
369	Equity 3					0	0	0	0	0	0	0	0	0	0	0	0	
370	Retained Earnings					8,712	9,201	8,681	8,577	8,499	8,723	8,731	8,858	8,900	8,817	8,997	8,997	
371	Total Equity					8,712	9,201	8,681	8,577	8,499	8,723	8,731	8,858	8,900	8,817	8,997	8,997	
372	Total Liabilities & Equity					44,798	55,331	55,050	54,185	54,002	54,580	53,112	52,427	51,541	51,723	52,300	52,300	
373																		
374																		
375	B/S CHECK				(0)	0	0	0	0	0	0	0	0	0	0	0	0	
376	RLOC per Management Case					5,918	14,879	17,605	17,808	17,871	19,148	17,899	16,462	16,261	16,719	16,558	16,558	

6. WHOLE WORKSHEET OF DCFM

	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P
							IS M Case	EBITDA	BS M Case	Analysis	Principal	Interest	IS B Case	BS B Case	B Base
							8/31/2013	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14	Apr-14
1															
2	IBEX Global Solutions US - Base Case					1									
376	Borrowing Base - Base Case														
377	Accounts Receivable			Per Base Case Balance Sheet			26,992	38,287	38,435	37,732	37,759	37,406	35,859	35,241	34,400
378	Allowance / Reserves (add back)						0	0	0	0	0	0	0	0	0
379	Accounts Receivable - Gross						26,992	38,287	38,435	37,732	37,759	37,406	35,859	35,241	34,400
380															
381	Accounts Receivable - Trade						26,992	38,287	38,435	37,732	37,759	37,406	35,859	35,241	34,400
382	% of Total			= 100% - Other 1, 2 and 3			100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
383	Ineligible %			CHECK			3.4%	3.4%	3.4%	3.4%	3.4%	3.4%	3.4%	3.4%	3.4%
384	Ineligible \$			Ineligible %			928	1,317	1,322	1,298	1,299	1,286	1,233	1,212	1,183
385	Total Ineligible			3.986%			928	1,317	1,322	1,298	1,299	1,286	1,233	1,212	1,183
386	Eligible			1.076			26,064	36,970	37,114	36,435	36,460	36,120	34,626	34,029	33,217
387	Advance Rate			Advance Rate			85.0%	85.0%	85.0%	85.0%	85.0%	85.0%	85.0%	85.0%	85.0%
388	Available before subline			25,916			22,154	31,424	31,547	30,969	30,991	30,702	29,432	28,925	28,235
389	A/R Other Subline			Trade A/R Subline			0	0	0	0	0	0	0	0	0
390	Available After Subline						22,154	31,424	31,547	30,969	30,991	30,702	29,432	28,925	28,235
391															
392	Accounts Receivable - Other 1						0	0	0	0	0	0	0	0	0
393	% of Total			0.0%			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
394	Ineligible %			Ineligible %			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
395	Ineligible \$						0	0	0	0	0	0	0	0	0
396	Ineligible						0	0	0	0	0	0	0	0	0
397	Eligible						0	0	0	0	0	0	0	0	0
398	Advance Rate			Advance Rate			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
399	Available before subline						0	0	0	0	0	0	0	0	0
400	A/R Other Subline			A/R Other Subline			0	0	0	0	0	0	0	0	0
401	Available After Subline						0	0	0	0	0	0	0	0	0
402															
403	Accounts Receivable - Other 2						0	0	0	0	0	0	0	0	0
404	% of Total			0.0%			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
413															
414	Accounts Receivable - Other 3						0	0	0	0	0	0	0	0	0
415	% of Total			0.0%			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
424															
425	Total A/R						26,992	38,287	38,435	37,732	37,759	37,406	35,859	35,241	34,400
426	Ineligible - Total						928	1,317	1,322	1,298	1,299	1,286	1,233	1,212	1,183
427	Ineligible - % of Total A/R						3.4%	3.4%	3.4%	3.4%	3.4%	3.4%	3.4%	3.4%	3.4%
428	Eligible						26,064	36,970	37,114	36,435	36,460	36,120	34,626	34,029	33,217
429	Available before (overall) A/R subline						22,154	31,424	31,547	30,969	30,991	30,702	29,432	28,925	28,235
430	Effective Advance Rate						82.1%	82.1%	82.1%	82.1%	82.1%	82.1%	82.1%	82.1%	82.1%
431	A/R (Overall) Subline			A/R (overall) subline			35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000
432	Available After Subline						22,154	31,424	31,547	30,969	30,991	30,702	29,432	28,925	28,235
433	Total Available A/R						22,154	31,424	31,547	30,969	30,991	30,702	29,432	28,925	28,235
434															
435	Inventory			Per Base Case Balance Sheet			0	0	0	0	0	0	0	0	0
436	LIFO / Other Reserves (Add-back)						0	0	0	0	0	0	0	0	0
437	Inventory - Gross						0	0	0	0	0	0	0	0	0
438															
439	Inventory 1						0	0	0	0	0	0	0	0	0
440	% of Total			= 100% - Other 1, 2 and 3			100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
441	Ineligible %			Ineligible %			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
442	Ineligible \$						0	0	0	0	0	0	0	0	0
443	Total Ineligible						0	0	0	0	0	0	0	0	0
444	Eligible						0	0	0	0	0	0	0	0	0
445	Advance Rate			Advance Rate			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
446	Available before subline						0	0	0	0	0	0	0	0	0
447	Inventory Subline			Tranche Subline			0	0	0	0	0	0	0	0	0
448	Available After Subline						0	0	0	0	0	0	0	0	0
449															
450	Inventory 2						0	0	0	0	0	0	0	0	0
451	% of Total			0.0%			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
460															
461	Inventory 3						0	0	0	0	0	0	0	0	0
462	% of Total			0.0%			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
471															
472	Total Inventory						0	0	0	0	0	0	0	0	0
473	Total Ineligible						0	0	0	0	0	0	0	0	0
474	Total Eligible						0	0	0	0	0	0	0	0	0
475	Effective Advance Rate						0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
476	Available before Inventory (overall) subline						0	0	0	0	0	0	0	0	0
477	Inventory (overall) Subline			Inventory Subline			0	0	0	0	0	0	0	0	0
478	Available Inventory after Subline						0	0	0	0	0	0	0	0	0

6. WHOLE WORKSHEET OF DCFM

	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	
							IS M Case	EBITDA	BS M Case	Analysis	Principal	Interest	IS B Case	BS B Case	B Base	FCCR	Cash F	
							8/31/2013	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jur	
1																		
2	IBEX Global Solutions US - Base Case					1												
479																		
480	Other Revolver Collateral 1		Description															
481	Ineligible %		Ineligible %				0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
482	Ineligible \$						0	0	0	0	0	0	0	0	0	0	0	0
483	Ineligible						0	0	0	0	0	0	0	0	0	0	0	0
484	Other Adjustments						0	0	0	0	0	0	0	0	0	0	0	0
485	Eligible						0	0	0	0	0	0	0	0	0	0	0	0
486	Advance Rate		Advance Rate				0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
487	Available						0	0	0	0	0	0	0	0	0	0	0	0
488	Subline		Subline				0	0	0	0	0	0	0	0	0	0	0	0
489	Available After Subline						0	0	0	0	0	0	0	0	0	0	0	0
490																		
491	Other Revolver Collateral 2		Description															
501																		
502	Other Revolver Collateral 3		Description															
512																		
513	Total Availability						22,154	31,424	31,547	30,969	30,991	30,702	29,432	28,925	28,235	28,423	28,	
514	Line Limit (Revolver Commitment)		Input in Interest section above				35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,
515	Total Availability after Line Limit						22,154	31,424	31,547	30,969	30,991	30,702	29,432	28,925	28,235	28,423	28,	
516	Revolver Balance						5,918	15,543	15,027	15,233	14,984	16,101	14,902	13,841	13,403	13,558	13,	
517	L/Cs		Input in Interest section above				0	0	0	0	0	0	0	0	0	0	0	0
518	Reserve 1						78	78	78	78	78	78	78	78	78	78	78	78
519	Reserve 2						0	0	0	0	0	0	0	0	0	0	0	0
520	Reserve 3						0	0	0	0	0	0	0	0	0	0	0	0
521	Excess Availability						16,158	15,804	16,442	15,658	15,930	14,523	14,452	15,005	14,754	14,787	15,	
522																		
523	Total Availability Before Line Limits						22,154	31,424	31,547	30,969	30,991	30,702	29,432	28,925	28,235	28,423	28,	
524	Suppressed Availability						0	0	0	0	0	0	0	0	0	0	0	0
525																		

6. WHOLE WORKSHEET OF DCFM

	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R
1																	
2	IBEX Global Solutions US - Base Case			1	IS M Case	EBITDA	BS M Case	Analysis	Principal	Interest	IS B Case	BS B Case	B Base	FCCR	Cash Flow		
526	Fixed Charge Coverage				8/31/2013	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14		
527	Base Case (Underwriting) EBITDA					1,014	372	367	409	704	470	691	536	333	751		
528	Other adjustment 1					0	0	0	0	0	0	0	0	0	0		
529	Other adjustment 2					0	0	0	0	0	0	0	0	0	0		
530	Base Case EBITDA					1,014	372	367	409	704	470	691	536	333	751		
531	Memo - Management Case EBITDA					1,014	372	367	409	704	470	691	536	333	751		
532	Fixed Charge Coverage - PNC Standard																
533	Base Case EBITDA					1,014	372	367	409	704	470	691	536	333	751		
534	Less:																
535	Cash Capital Expenditures					51	71	70	76	81	74	80	80	80	86		
536	Income Taxes - Base Case					326	(326)	0	0	7	5	84	28	(55)	103		
537	Distributions - Income Taxes					0	0	0	0	0	0	0	0	0	0		
538	Distributions - Discretionary					0	0	0	0	0	0	0	0	0	0		
539	Royalty Payments	ROYALTY PAYMENTS				0	992	245	253	234	217	234	218	219	237		
540	Other 2					0	0	0	0	0	0	0	0	0	0		
541	EBITDA - Net					637	(365)	53	80	382	174	293	210	89	325		
542	Cash Interest Expense					24	47	45	47	47	45	47	43	44	43		
543	Amortization of LT Debt					47	49	50	44	46	47	49	50	52	53		
544	Other 3					0	0	0	0	0	0	0	0	0	0		
545	Other 4					0	0	0	0	0	0	0	0	0	0		
546	Total Fixed Charges					71	96	95	91	92	92	96	93	95	96		
547	FCCR - Monthly					8.93x	-3.80x	0.56x	0.88x	4.13x	1.89x	3.07x	2.25x	0.93x	3.38x		
548																	
549	All in tax rate - informational					40%	39%	0%	0%	3%	40%	40%	40%	40%	40%		
550																	
551																	
552	Fixed Charge Coverage - Standard - Quarterly																
553	Base Case EBITDA					1-3	4-6	7-9	10-12	Total Yr	1-3	4-6	7-9	10-12	Total Yr		
554	Less:					1,441	1,441	1,441	1,441	5,763	1,753	1,583	1,560	2,361	7,257		
555	Cash Capital Expenditures	Pro forma prior 12 months				224	224	224	224	896	192	230	240	235	896		
556	Income Taxes - Base Case	Pro forma prior 12 months				389	389	389	389	1,557	0	13	57	330	400		
557	Distributions - Income Taxes					0	0	0	0	0	0	0	0	0	0		
558	Distributions - Discretionary					0	0	0	0	0	0	0	0	0	0		
559	Royalty Payments					0	0	0	494	494	1,237	705	672	758	3,372		
560	Other 2					0	0	0	0	0	0	0	0	0	0		
561	EBITDA - Net					828	828	828	334	2,816	325	635	591	1,038	2,589		
562	Cash Interest Expense	Pro forma prior 12 months				128	128	128	128	513	116	138	133	126	513		
563	Amortization of LT Debt	Pro forma prior 12 months				149	149	149	149	594	146	138	151	159	594		
564	Other 3					0	0	0	0	0	0	0	0	0	0		
565	Other 4					0	0	0	0	0	0	0	0	0	0		
566	Total Fixed Charges					277	277	277	277	1,108	262	276	284	285	1,108		
567	FCCR - Quarterly					2.99x	2.99x	2.99x	1.20x	2.54x	1.24x	2.30x	2.08x	3.64x	2.34x		
568	FCCR - Build-up										1.24x	1.78x	1.89x	2.34x			
569	FCCR - TTM										2.12x	1.94x	1.71x	2.34x			
570											5.95x	5.39x	5.06x	5.38x			



6. WHOLE WORKSHEET OF DCFM

	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U
1							<u>IS M Case</u>	<u>EBITDA</u>	<u>BS M Case</u>	<u>Analysis</u>	<u>Principal</u>	<u>Interest</u>	<u>IS B Case</u>	<u>BS B Case</u>	<u>B Base</u>	<u>FCCR</u>	<u>Cash Flow</u>			
2	IBEX Global Solutions US - Base Case			1			8/31/2013	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14	Aug-14	TOTAL
57	Fixed Charge Coverage - Optional													3.70x	3.61x	3.73x	5.38x			
62																				

6. WHOLE WORKSHEET OF DCFM

	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R		
								IS M Case	EBITDA	BS M Case	Analysis	Principal	Interest	IS B Case	BS B Case	B Base	FCCR	Cash Flow	
1																			
2	IBEX Global Solutions US - Base Case																		
626	Leverage							1	8/31/2013	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14
627														Current 12 Months					
628														Q1	Q2	Q3	Q4		
629	Total Senior Debt													15,724	15,451	14,160	13,381		
630	Total Debt													15,724	15,451	14,160	13,381		
631	Senior Leverage - YTD													Based on annualized YTD Adjusted Base Case EBITDA					
632	Total Leverage - YTD													2.24x	2.32x	2.17x	1.84x		
633	Senior Leverage - TTM													2.59x	2.49x	2.23x	1.84x		
634	Total Leverage - TTM													2.59x	2.49x	2.23x	1.84x		

6. WHOLE WORKSHEET OF DCFM

	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U
1							IS M Case	EBITDA	BS M Case	Analysis	Principal	Interest	IS B Case	BS B Case	B Base	FCCR	Cash Flow			
2	IBEX Global Solutions US - Base Case					1	8/31/2013	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14	Aug-14	TOTAL
635	Cash Flow Statement (Net Change in RLOC)																			
636	<b>Operating Activities</b>																			
637	<b>Operating Activities</b>																			
638	Net Income						489	(520)	(104)	(78)	225	8	127	42	(83)	155	169	171	600	
639	Depreciation						133	137	141	145	149	153	158	162	167	172	176	180	1,872	
640	Amortization						-	-	-	-	-	-	-	-	-	-	-	-	-	
641	PIK Interest						-	-	-	-	-	-	-	-	-	-	-	-	-	
642	Net change in Working Capital Accounts																			
643	Net change in Working Capital Accounts																			
644	Cash						-	-	-	-	-	-	-	-	-	-	-	-	-	
645	Accounts Receivable						(11,295)	(149)	703	(27)	352	1,547	618	840	(229)	(618)	(2,198)	(1,823)	(12,277)	
646	Other Receivables						-	-	-	-	-	-	-	-	-	-	-	-	-	
647	Inventory						-	-	-	-	-	-	-	-	-	-	-	-	-	
648	Prepays and deferred expenses						1,264	10	169	18	(969)	(76)	119	41	41	41	41	41	741	
649	Deferred expenses						-	-	-	-	-	-	-	-	-	-	-	-	-	
650	Due from affiliates						6	425	(7)	2	50	(8)	(2)	1	(1)	1	(1)	-	465	
651	Other Current Assets 3						-	-	-	-	-	-	-	-	-	-	-	-	-	
652	Accounts Payable						557	(22)	153	(138)	(3)	320	(321)	64	(118)	198	221	-	911	
653	Accrued Expenses and other payables						-	-	-	-	-	-	-	-	-	-	-	-	-	
654	Accrued compensation						10,870	(264)	(416)	214	(807)	(634)	493	(596)	172	341	4,282	(121)	13,534	
655	Deferred revenue						(9,933)	-	-	-	-	-	-	-	-	-	-	-	(9,933)	
656	Due to affiliates						(1,180)	-	-	-	-	-	-	-	-	-	-	-	(1,180)	
657	Other Current Lia. 4						0	992	(748)	9	(19)	(17)	17	(16)	1	17	24	-	261	
658	PIK Interest Included in Accrued Liabilities						-	-	-	-	-	-	-	-	-	-	-	-	-	
659	Total Working Capital (Incr) Decr						(9,711)	992	(146)	79	(1,395)	1,132	924	335	(134)	(20)	2,368	(1,903)	(7,479)	
660	Total - Operating Activities						(9,089)	609	(110)	146	(1,021)	1,293	1,208	539	(50)	306	2,714	(1,552)	(5,008)	
661	<b>Investing &amp; Financing Activities</b>																			
662	<b>Investing &amp; Financing Activities</b>																			
663	Capital Expenditures						(101)	(142)	(140)	(151)	(161)	(148)	(160)	(159)	(160)	(172)	(149)	(149)	(1,792)	
664	PP&E - Dispositions and Other						-	-	-	-	-	-	-	-	-	-	-	-	-	
665	Net change in Other Assets						(540)	-	-	195	-	-	(48)	-	-	-	-	-	(393)	
666	Net change in Other Liabilities						59	37	35	40	42	38	41	41	39	(304)	42	42	153	
667	Additions to LT Debt						94	60	59	64	68	63	68	68	68	73	63	88	837	
668	Payments of LT Debt						(47)	(49)	(50)	(44)	(46)	(47)	(49)	(50)	(52)	(53)	(55)	(51)	(594)	
669	Distributions						-	-	-	-	-	-	-	-	-	-	-	-	-	
670	Other changes in Equity						-	-	-	-	-	-	-	-	-	-	-	-	-	
671	Total - Investing & Financing Activities						(535)	(93)	(96)	103	(96)	(94)	(147)	(101)	(105)	(456)	(99)	(70)	(1,789)	
672	Net Change in RLOC						9,625	(516)	206	(249)	1,118	(1,199)	(1,061)	(438)	155	150	(2,615)	1,622	6,797	
673	RLOC - Beginning of Period						5,918	15,543	15,027	15,233	14,984	16,101	14,902	13,841	13,403	13,558	13,708	11,093	5,918	
674	RLOC - End of Period						15,543	15,027	15,233	14,984	16,101	14,902	13,841	13,403	13,558	13,708	11,093	12,715	12,715	
675	Check						0	(0)	0	-	-	-	-	-	-	-	-	-	0	
676																				

## 6. WHOLE WORKSHEET OF DCFM

	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U
							IS M Case	EBITDA	BS M Case	Analysis	Principal	Interest	IS B Case	BS B Case	B Base	FCCR	Cash Flow			
					1		8/31/2013	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14	Aug-14	TOTAL
677	<b>Net Change in Balance Sheet Accounts</b>																			
678	Cash																			
679	Accounts Receivable																			
680	Other Receivables																			
681	Inventory																			
682	Prepays and deferred expenses																			
683	Deferred expenses																			
684	Due from affiliates																			
685	Other Current Assets 3																			
686																				
687																				
688	PP&E, Net																			
689	Intangible Assets																			
690	Long term deferred expenses/deposits																			
691	Long term deferred expenses																			
692	Long term deposits																			
693																				
694																				
695	Accounts Payable																			
696																				
697	Accrued Expenses and other payables																			
698	Accrued compensation																			
699	Deferred revenue																			
700	Due to affiliates																			
701	Other Current Lia. 4																			
702																				
703																				
704	RLOC																			
705	Capital Leases																			
706	Senior Term Debt 2																			
707	Senior Term Debt 3																			
708	Senior Term Debt 4																			
709																				
710	Subordinated Debt 1																			
711	Subordinated Debt 2																			
712	Subordinated Debt 3																			
713	Subordinated Debt 4																			
714	Accrued PIK Interest																			
715																				
716	Other LT Liabilities 1																			
717	Other LT Liabilities 2																			
718																				
719																				
720	Equity 1																			
721	Equity 2																			
722	Equity 3																			
723	Retained Earnings																			
724																				
725	Net change in assets																			
726	Net change in Lia and Equity																			
727	Net change in RLOC - check																			

## FORM OF FINANCIAL CONDITION CERTIFICATE

November 8, 2013

TO: PNC BANK, NATIONAL ASSOCIATION ("PNC"), in connection with that certain Revolving Credit and Security Agreement dated of even date herewith (as the same may be amended, restated, supplemented or otherwise modified from time to time, the "Credit Agreement"), by and among TRG CUSTOMER SOLUTIONS, INC., a Delaware corporation doing business as IBEX Global Solutions (the "Borrower"), the financial institutions which are now or which hereafter become party thereto as lenders (referred to herein, collectively, as the "Lenders" and each, individually, a "Lender") and PNC, in its capacity as agent for the Lenders (in such capacity, the "Agent") and in its capacity as a Lender. Capitalized terms used herein and not otherwise defined herein shall have the meanings ascribed to them in the Credit Agreement.

In connection with the Credit Agreement and the Other Documents, I hereby certify that, effective as of the execution of the Credit Agreement and each of the Other Documents, I am the duly elected, qualified and acting Chief Financial Officer of the Borrower, and, in such capacity, I hereby conclude to my knowledge that:

A. (i) After giving effect to the Transactions, the Borrower will be solvent, able to pay its debts as they mature, will not have unreasonably small capital to carry on its business and all businesses in which it is about to engage, (ii) as of the Closing Date, the fair value of the Borrower's assets is in excess of the amount of its liabilities, and (iii) subsequent to the Closing Date, the fair value of the Borrower's assets will be in excess of the amount of its liabilities.

B. The execution and delivery of the Credit Agreement and each of the Other Documents and the granting of the security interests and liens pursuant to the Credit Agreement and any of the Other Documents by the Borrower will not leave the Borrower with property remaining in its hands which would constitute unreasonably small capital for the Borrower's business taken as a whole. In reaching this conclusion, I understand that "unreasonably small capital" depends upon the nature of the Borrower's business as presently conducted, and I have reached my conclusion based on the actual and reasonably anticipated needs for capital of the business anticipated to be conducted by the Borrower and consistent with the Projections and other information described herein.

C. The Borrower will not likely incur debts beyond its ability to pay as such debts mature. This conclusion is based, in part, upon my review of the Projections, which project that the Borrower will have positive cash flow after paying all of its scheduled and anticipated indebtedness as it matures. I have concluded that the realization from the Borrower's assets in the ordinary and usual course of business, taken as a whole, will be sufficient to pay their recurring current debt, short term debt, and long term debt as such debts require.

D. True, complete and correct copies of the Pro Forma Financial Statements have been provided to Agent.

E. The Borrower has not executed the Credit Agreement or any of the Other Documents or made any transfer or incurred any obligations thereunder with actual intent to hinder, delay, or defraud either present or future creditors.

I understand that the Agent and the Lenders are relying on the truth and accuracy of the foregoing in connection with the extensions of credit under the Credit Agreement and that no one else shall be entitled to rely on this Certificate.

[SIGNATURE TO FOLLOW ON SEPARATE PAGE]

I hereby certify, in my capacity as an officer of the Borrower, and not individually, that the foregoing information is true and correct and execute this certificate as of the date first written above.

**TRG CUSTOMER SOLUTIONS, INC.**

By: \_\_\_\_\_

Name: Karl K. Gabel

Title: Chief Financial Officer

[Signature Page to Financial Condition Certificate]

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## FORM OF COMMITMENT TRANSFER SUPPLEMENT

COMMITMENT TRANSFER SUPPLEMENT, dated as of \_\_\_\_\_, 20\_\_, among \_\_\_\_\_ (the "Transferor Lender"), \_\_\_\_\_ ("Purchasing Lender"), and PNC BANK, NATIONAL ASSOCIATION, as agent for the Lenders under the Credit Agreement (as defined below) (in such capacity, the "Agent").

WITNESSETH

WHEREAS, this Commitment Transfer Supplement is being executed and delivered in accordance with Section 16.3 of that certain Revolving Credit and Security Agreement dated as of November 8, 2013 (as amended, restated, supplemented or modified from time to time, the "Credit Agreement"), by and among TRG CUSTOMER SOLUTIONS, INC., a Delaware corporation doing business as IBEX Global Solutions ("IBEX") and, together with each Person joined thereto as a borrower from time to time, collectively, the "Borrowers", and each individually, a "Borrower", Agent, and the financial institutions party thereto from time to time as lenders (referred to herein, collectively, as the "Lenders" and each, individually, a "Lender"), and Agent.

WHEREAS, Purchasing Lender wishes to become a Lender party to the Credit Agreement; and

WHEREAS, the Transferor Lender is selling and assigning to Purchasing Lender rights, obligations and commitments under the Credit Agreement;

NOW, THEREFORE, the parties hereto hereby agree as follows:

1. All capitalized terms used herein which are not defined shall have the meanings given to them in the Credit Agreement.

2. Upon receipt by the Agent of four counterparts of this Commitment Transfer Supplement, to each of which is attached a fully completed Schedule I, and each of which has been executed by the Transferor Lender and Agent, Agent will transmit to Transferor Lender and Purchasing Lender a Transfer Effective Notice, substantially in the form of Schedule II to this Commitment Transfer Supplement (a "Transfer Effective Notice"). Such Transfer Effective Notice shall set forth, inter alia, the date on which the transfer effected by this Commitment Transfer Supplement shall become effective (the "Transfer Effective Date"), which date unless otherwise noted therein, shall not be earlier than the first Business Day following the date such Transfer Effective Notice is received. From and after the Transfer Effective Date, Purchasing Lender shall be a Lender party to the Credit Agreement for all purposes thereof.

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3. At or before 12:00 Noon (New York time) on the Transfer Effective Date Purchasing Lender shall pay to Transferor Lender, in immediately available funds, an amount equal to the purchase price, as agreed between Transferor Lender and such Purchasing Lender (the "Purchase Price"), of the portion of the Advances being purchased by such Purchasing Lender (such Purchasing Lender's "Purchased Percentage") of the outstanding Advances and other amounts owing to the Transferor Lender under the Credit Agreement, and the Note(s). Effective upon receipt by Transferor Lender of the Purchase Price from a Purchasing Lender, Transferor Lender hereby irrevocably sells, assigns and transfers to such Purchasing Lender, without recourse, representation or warranty, and Purchasing Lender hereby irrevocably purchases, takes and assumes from Transferor Lender, such Purchasing Lender's Purchased Percentage of the Advances and other amounts owing to the Transferor Lender under the Credit Agreement and the Note(s) together with all instruments, documents and collateral security pertaining thereto.

4. Transferor Lender has made arrangements with Purchasing Lender with respect to (i) the portion, if any, to be paid, and the date or dates for payment, by Transferor Lender to such Purchasing Lender of any fees heretofore received by Transferor Lender pursuant to the Credit Agreement prior to the Transfer Effective Date and (ii) the portion, if any, to be paid, and the date or dates of payment, by such Purchasing Lender to Transferor Lender of fees or interest received by such Purchasing Lender pursuant to the Credit Agreement from and after the Transfer Effective Date.

5. (a) All principal payments that would otherwise be payable from and after the Transfer Effective Date to or for the account of Transferor Lender pursuant to the Credit Agreement and the Note(s) shall, instead, be payable to or for the account of Transferor Lender and Purchasing Lender, as the case may be, in accordance with their respective interests as reflected in this Commitment Transfer Supplement.

(b) All interest, fees and other amounts that would otherwise accrue for the account of Transferor Lender from and after the Transfer Effective Date pursuant to the Credit Agreement and the Note(s) shall, instead, accrue for the account of, and be payable to, Transferor Lender and Purchasing Lender, as the case may be, in accordance with their respective interests as reflected in this Commitment Transfer Supplement. In the event that any amount of interest, fees or other amounts accruing prior to the Transfer Effective Date was included in the Purchase Price paid by any Purchasing Lender, Transferor Lender and Purchasing Lender will make appropriate arrangements for payment by Transferor Lender to such Purchasing Lender of such amount upon receipt thereof from Borrowers.

6. Concurrently with the execution and delivery hereof, Transferor Lender will provide to Purchasing Lender conformed copies of the Credit Agreement and all related documents delivered to Transferor Lender.

7. Each of the parties to this Commitment Transfer Supplement agrees that at any time and from time to time upon the written request of any other party, it will execute and deliver such further documents and do such further acts and things as such other party may reasonably request in order to effect the purposes of this Commitment Transfer Supplement.

8. By executing and delivering this Commitment Transfer Supplement, Transferor Lender and Purchasing Lender confirm to and agree with each other and Agent and Lenders as follows: (i) other than the representation and warranty that it is the legal and beneficial owner of the interest being assigned hereby free and clear of any adverse claim, Transferor Lender makes no representation or warranty and assumes no responsibility with respect to any statements, warranties or representations made in or in connection with the Credit Agreement or the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Credit Agreement, the Note(s) or any other instrument or document furnished pursuant thereto; (ii) Transferor Lender makes no representation or warranty and assumes no responsibility with respect to the financial condition of Borrowers or the performance or observance by Borrowers of any of their Obligations under the Credit Agreement, the Note(s) or any other instrument or document furnished pursuant hereto; (iii) Purchasing Lender confirms that it has received a copy of the Credit Agreement, together with copies of such financial statements and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Commitment Transfer Supplement; (iv) Purchasing Lender will, independently and without reliance upon Agent, Transferor Lender or any other Lenders and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Credit Agreement; (v) Purchasing Lender appoints and authorizes Agent to take such action as agent on its behalf and to exercise such powers under the Credit Agreement as are delegated to the Agent by the terms thereof; (vi) Purchasing Lender agrees that it will perform all of its respective obligations as set forth in the Credit Agreement to be performed by each as a Lender; and (vii) Purchasing Lender represents and warrants to Transferor Lender, Lenders, Agent and Borrowers that it is either (x) entitled to the benefits of an income tax treaty with the United States of America that provides for an exemption from the United States withholding tax on interest and other payments made by Borrowers under the Credit Agreement and Other Documents or (y) is engaged in trade or business within the United States of America.

9. Schedule I hereto sets forth the revised Commitment Percentages of Transferor Lender and the Commitment Percentage of Purchasing Lender as well as administrative information with respect to Purchasing Lender.

10. This Commitment Transfer Supplement shall be governed by, and construed in accordance with, the laws of the State of New York.

[Signatures Begin on Next Page]

IN WITNESS WHEREOF, the parties hereto have caused this Commitment Transfer Supplement to be executed by their respective duly authorized officers on the date set forth above.

[ \_\_\_\_\_ ]  
as Transferor Lender

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

[ \_\_\_\_\_ ]  
as Purchasing Lender

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**PNC BANK, NATIONAL ASSOCIATION**  
as Agent

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

[Signature Page to Commitment Transfer Supplement]

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LIST OF OFFICES, ADDRESSES FOR NOTICES AND COMMITMENT AMOUNTS

Transferor Lender	Revised Revolving Commitment Amount	\$ _____
	Revised Revolving Commitment Percentage	_____ %
Purchasing Lender	Revolving Commitment Amount	\$ _____
	Revolving Commitment Percentage	_____ %

Addresses for Notices for Purchasing Lender

Attention:  
Telephone:  
Fax:

[Commitment Transfer Supplement]

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SCHEDULE II TO COMMITMENT TRANSFER SUPPLEMENT

[Form of Transfer Effective Notice]

To: \_\_\_\_\_, as Transferor Lender and \_\_\_\_\_, as Purchasing Lender:

The undersigned, as Agent under the Revolving Credit and Security Agreement dated as of November 8, 2013 among **TRG CUSTOMER SOLUTIONS, INC.**, a Delaware corporation doing business as IBEX Global Solutions, **PNC BANK, NATIONAL ASSOCIATION** ("**PNC**"), each of the financial institutions party thereto from time to time as lenders (PNC and such other financial institutions, the "**Lenders**"), and PNC as agent for the Lenders, acknowledges receipt of four (4) executed counterparts of a completed Commitment Transfer Supplement in the form attached hereto. [Note: Attach copy of Commitment Transfer Supplement.] Terms defined in such Commitment Transfer Supplement are used herein as therein defined.

Pursuant to such Commitment Transfer Supplement, you are advised that the Transfer Effective Date will be [Insert date of Transfer Effective Notice].

PNC BANK, NATIONAL ASSOCIATION,  
as Agent

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

ACCEPTED FOR RECORDATION  
IN REGISTER:

[Commitment Transfer Supplement]

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Schedule 1.2

Permitted Encumbrances

BOTH FINANCINGS ARE FOR EQUIPMENT.

TFG – Virginia, LLP – This is the actual financing entity for Tetra Leasing. Tetra uses Republic Bank as their agent for collateral filings. The Republic Bank filing is for the security interest for this financing.

CIT Communications Finance Corporation (Avaya)  
(See Schedule 5.8(b)(ii))

Schedules to Credit and Security Agreement

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Schedule 4.4

Equipment Locations;  
Place of Business, Chief Executive Office, Real Property.

GRANTOR	COLLATERAL LOCATION OR PLACE OF BUSINESS (INCLUDING CHIEF EXECUTIVE OFFICE)	LESSOR (LEASED PROPERTIES)
TRG Customer Solutions, Inc. d/b/a IBEX Global Solutions	251 Gray Flats Road Beckley, WV 25801	Kenny M. Crook
	100 Parkway Road South Charleston, WV 25309	Ridge Line, Inc.
	501 Wilson Lane Elkins, WV 26241	CGP Development Co., Inc.
	501 SW Hill Street Bend, OR 97702	River Bend Investors I, LLC
	200 Industry Drive Pittsburg, PA 15275 (NOTE: data backup location)	Redevelopment Authority of Allegheny County
	Indiana Mall Unit 640, Rt. 286 West Indiana, PA 15701	Indiana Mall Company
	Workforce Development & Conference Center at Northfield 100 Saturn Parkway Spring Hill, TN 37174	South Central Tennessee Workforce Alliance
	2000 Enterprise Parkway Hampton, VA 23666 (NOTE: data backup location)	Gateway Hampton Roads, LLC
	1700 Pennsylvania Ave. NW, Suite 560 Washington, DC 20006 (NOTE: chief executive office)	TRG Holdings, LLC
	1672 Independence Drive Suite 200 New Braunfels, Texas	New Braunfels Service Center, Ltd.

Schedule 4.8(j)

Deposit and Investment Accounts

TRG Customer Solutions, Inc.

GL Account Numbers	Bank A/C No.	Description	
JPM Lockbox	428618149	Cash Collateral /AR and Non AR Receipts	Deposit Account for AR and Non AR Collections
JPM Operating	428618156	Analysis Checking /Operating Account	Main Operating Account
JPM AP Checking	428618164	AP Checking /CDA Account	Control Disbursement Account for Accounts Payable(ZBA)
JPM Payroll	938892569	Payroll	Disbursement Account for Payroll Checks and Wires(ZBA)
JPM Canada	4683000573	Canada , Toronto Branch	Canadian Operating Account
PNC	8026295579	Collection Account	Deposit and Investment Account
PNC	8026295552	Operating Account	Deposit and Investment Account

Schedules to Credit and Security Agreement



None

**States of Qualification and Good Standing**

<b>Borrower</b>	<b>State of Organization</b>	<b>States of Qualification</b>
TRG Customer Solutions, Inc.	Delaware corporation	AL, AR, AZ, CA, CO, CT, D.C., DE, FL, GA, ID, IN, KY, LA, MA, ME, MI, MN, MO, MS, MT, NC, ND, NE, NH, NJ, NM, NV, NY, OH, OK, OR, PA, RI, SD, TN, TX UT, VA, VT, WI, WV and WY

Schedules to Credit and Security Agreement

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**Schedule 5.2(b)**

**Subsidiaries**

Please refer to page 13 of the AIM/LSE Admission Document previously provided to PNC and Blank Rome for a chart and listing of all subsidiaries of IBEX Global Solutions PLC.

Borrower	Subsidiary	Ownership
TRG Customer Solutions, Inc., d/b/a IBEX Global Solutions	TRG Customer Solutions (Canada), Inc., a Canadian corporation	100% owned

Schedules to Credit and Security Agreement

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Schedule 5.4

**Federal Tax Identification Number**

<b>BORROWER</b>	<b>ORGANIZATION IDENTIFICATION NUMBER</b>	<b>FEDERAL EMPLOYER IDENTIFICATION NUMBER</b>
TRG Customer Solutions, Inc. d/b/a IBEX Global Solutions	3812747 (Delaware)	72-1583550

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Schedules to Credit and Security Agreement

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Schedule 5.6

Prior Names

TRG Customer Solutions, Inc.

Schedules to Credit and Security Agreement

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Schedule 5.7

Environmental

None

Schedules to Credit and Security Agreement

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Litigation

A class action lawsuit was filed in California against IBEX for alleged violations of wage and hour laws. In February 2011, the Court dismissed all class allegations and instructed plaintiff to proceed with his individual claim for approximately \$3,000 in damages. No trial date is set. No activity in this case for the past 2 years.

The US Department of Labor (the "DOL") issued in June 2012 a notice of intent to assess a penalty (with accrued interest) of approximately \$39,000 against the Company for failure to timely file an audit of its 401(k) plan with its Form 5500 annual report for the 2010 plan year. The Company expects to receive the audit from the plan auditor and file the complete Form 5500 for the 2010 plan year within the next 60 days. The Company is in contact with DOL and expects to settle the matter.

McCloud Benson III et al. v TRG Customer Solutions, Inc. Compensation case filed by 8 ex-employees (each individually, not as a class) alleging incorrect calculation of their incentive-pay bonuses at Indiana, PA call center in 2007-2008. Plaintiff's counsel has been inactive, has never put forward any theory or calculation of alleged damages, has recently canceled a scheduled deposition of a senior IBEX call center manager, and has orally advised IBEX defense counsel that he is considering dropping the lawsuit. IBEX will continue to defend in ordinary course. There has been no action in this case since 2010.

Canon Financial Services, Inc. v. TRG Customer Solutions, Inc. Contract case filed in April 2012 in New Jersey Superior Court. IBEX settled the case in June 2012. All payments under the settlement have been and will be made by TRG Field Solutions, Inc. ("TRGFS"), which was the entity for whom the copiers were leased. TRGFS is current on its obligations under this settlement agreement.

Amber Holcomb v. TRG Customer Solutions, Inc. Case filed in 2012 in Circuit Court of Kanawha County, West Virginia by ex-employee, alleging discrimination and wrongful termination due to alleged violation of federal Family Medical Leave Act. No specific amount of damages has been demanded. There has been no activity in this case since it was filed over a year ago. IBEX defending in ordinary course.

Davantic LLC v. TRG Customer Solutions, Inc. Case settled on October 29, 2013.

Kennita Thomas v. TRG Customer Solutions, Inc. Case filed in March 2012 in West Virginia Human Rights Commission (WVHRC), alleging unlawful discrimination against Thomas due to race, and unlawful retaliation against Thomas. Thomas is a former employee of TRG Insurance Solutions, Inc. (TRGIS), a then-sister corporation of IBEX. TRGIS was an entirely separate corporation with its own lines of business, management and employees. While employed by TRGIS at its facility in Beckley, WV, in 2009 Thomas filed a discrimination complaint against TRGIS, which the parties settled by mutual agreement. Later in 2009, TRGIS announced that it was closing its operations in Beckley and laying off all employees, including Thomas. In January 2010 Thomas interviewed for a position with IBEX but was not offered a job. Thomas claims that IBEX did not offer her a job because of her race and in retaliation for her having filed the 2009 discrimination complaint against TRGIS, a different company. Thomas alleges \$107,940.80 in damages for back pay, plus future pay and interest, plus \$92,313.21 in attorneys' fees. IBEX has defended this case vigorously and intends to continue doing so. IBEX has defended on the grounds that (1) its records show race-neutral employment practices, and (2) IBEX as a matter of law cannot be liable for retaliating against a person whom it never employed. This case was tried on December 17- 18, 2012, before an administrative judge *pro tem* of the WVHRC. No ruling has been issued as of October 23, 2013.

Global Crossing Telecom. This is not a litigation matter. GC was IBEX's major telephone vendor through Q2 of 2012, when IBEX transitioned its primary telephone services to CenturyLink (formerly Qwest). IBEX evaluated multiple telecom vendors as part of its selection process, including GC, and concluded that CenturyLink offered the best package as the primary carrier. At the time of the transition, IBEX had disputed various charges by GC, relating to both service and billing issues going back to 2010, and was in discussion with GC to resolve the various billing disputes. IBEX made an offer to GC to resolve the final balance by appropriate adjustments. As a conservative position, IBEX has accrued the full amounts that were invoiced to it even though it expects that the eventual amount it agrees to pay will be significantly lower than the accrued amount. To date GC has not responded to IBEX's offers, nor has GC taken any other action regarding this matter. As and when GC responds, IBEX expects to reach a mutually agreeable resolution regarding the final amount owed and the appropriate payment schedule. TRG will not start paying absent a final resolution/settlement and a mutually agreed upon payment plan.

Microsoft Corp. and Microsoft Licensing, GP v. TRG Customer Solutions, Inc. d/b/a IBEX Global. Case filed on June 10, 2013 in US District Court for District of Columbia. See attached complaint and answer. The Resource Group International (ultimate parent of TRG Customer Solutions, Inc. d/b/a IBEX Global Solutions), has fully indemnified TRGCS d/b/a IBEX Global Solutions against any and all liabilities and costs in connection with this lawsuit, and has taken over defense of the case.

**List of EEOC, OSHA and State Human Resources Cases**

The Company is defending all of these cases in the ordinary course.

Capone, Mark R.	Labor/Employment Discrimination	-	EEOC - Pittsburgh Area Office
Corporan, Joseph	Labor/Employment Discrimination	-	EEOC - Norfolk Local Office
Fogus, Rosanna	OSHA Complaint		U.S. Department of Labor- OSHA

Schedules to Credit and Security Agreement

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Healey, Jonathan	Labor/Employment - Wage Dispute	State of West Virginia Dept of Labor
Hrelec, Hazel M.	Labor/Employment Discrimination	- EEOC - Pittsburgh Area Office
Leji, Victor A.	Labor/Employment Discrimination	- EEOC - Norfolk Local Office
Lochner, Dee A.	Labor/Employment Discrimination	- EEOC - Pittsburgh Area Office
McAllister, Gina V.	Labor/Employment Discrimination	- Bureau of Labor and Industries, Oregon
Murphy, LaToya D.	Labor/Employment Discrimination	- EEOC - Pittsburgh Area Office
Phillips, Melissa J.	Labor/Employment Discrimination	- State of West Virginia Human Rights Commission
Wamsley, Wendy L.	Labor/Employment Discrimination	- EEOC - Pittsburgh Area Office
Eastepp, Kala	Discrimination	EEOC – Nashville Area Office
Wilson, Dustin	Discrimination	EEOC – Charleston Area Office

Schedules to Credit and Security Agreement

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**Schedule 5.8(b)(ii) Indebtedness**

<b>Name</b>	<b>Description of Indebtedness</b>
TFG – Virginia, L.P.	Tetra Equipment Lease – Master Lease Agreement with TFG – Virginia, L.P. (last payment November 2013) (09/10/13 balance - \$14,120.00)
CIT Communications Finance Corporation (Avaya)	Master Lease Agreement (last payment August 2014) (09/10/13 balance - \$421,516.00)

Schedules to Credit and Security Agreement

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Plans

Borrower has a 401(k) plan. Summary plan description follows:

**SUMMARY PLAN DESCRIPTION****TRG 401(K) PLAN**

**APRIL 2010**

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## **INTRODUCTION**

## **TYPE OF PLAN**

Effective January 1, 2010, TRG Customer Solutions, Inc. amended its 401(k) profit sharing plan. The plan is named the TRG 401(k) Plan, but it will be referred to in this summary as the *Plan*. The Plan contains a cash or deferred arrangement, and once you're eligible to participate, you can contribute to the Plan on a tax deferred basis through payroll deductions.

## **PLAN SPONSOR**

TRG Customer Solutions, Inc. is the sponsor of the Plan, and will sometimes be referred to in this summary as the *Sponsoring Employer*, the *Employer*, the *Company*, *we*, *us* or *our*. Our address is 8375 Dix Ellis Trail, Suite 101, Jacksonville, FL 32256-8241; our telephone number is (877) 874- 2874; and our employer identification number is 72-1583550. Stratasoft, Inc., TRG Insurance Solutions, LLC, TRG Holdings, LLC, iSky, Inc., TRG Field Solutions, Inc. and TRG Satmap, Inc. have also adopted this Plan as Adopting Employers for the benefit of any of their employees who are eligible to participate. Any reference to the Employer in this summary will also generally be a reference to the Adopting Employers.

## **PURPOSE OF THIS SUMMARY**

This booklet is called a Summary Plan Description (the *SPD*) and it is meant to describe highlights of the Plan in understandable language. It is not, however, meant to be a complete description of the Plan, nor is it meant to interpret, extend or change the provisions of the Plan in any way. If there is a conflict between this SPD and the Plan, the provisions of the Plan control your right to benefits. A copy of the Plan and related documents are on file with the Administrator and you can read them at any reasonable time. Also, no provision of the Plan or this SPD is intended to give you the right to continued employment or to prohibit changes in the terms or conditions of your employment. If you have any questions that are not addressed in this summary, you can contact the Administrator (who is described in the next section) during normal business hours.

## **PLAN ADMINISTRATION**

### **PLAN TRUSTEE**

The Plan is administered under a written plan and trust agreement, and the trustee of that agreement is responsible for trusteeing the Plan's assets. The trustee is Principal Trust Company. The trustee is a directed trustee, which means that the trustee invests the assets of the Plan as instructed by us, by an investment manager (if we have appointed one), or by a Participant. The trustee can be contacted at 100 Principal Drive, Wilmington, DE 19801.

### **PLAN ADMINISTRATOR**

All matters other than investments that concern the operation of the Plan are the responsibility of the Administrator. The Administrator is TRG Customer Solutions, Inc., whose address is 8375 Dix Ellis Trail, Suite 101, Jacksonville, FL 32256-8241, and whose telephone number is (877) 874- 2874. The Administrator has the power and authority to interpret the terms of the Plan based on the Plan document and existing laws and regulations, as well as the power to determine all questions that arise under the Plan. Such power and authority include, for example, the administrative discretion necessary to resolve issues with respect to an employee's eligibility for benefits, credited service, Disability, and retirement, or to interpret any other term contained in the Plan and related documents. The Plan Administrator's interpretations and determinations are binding on all Participants, employees, former employees, and their beneficiaries.

### **PLAN NUMBER**

For identification purposes, we have assigned number 005 to the Plan.

### **SERVICE OF LEGAL PROCESS**

If you have to bring legal action against the Plan for any reason, legal process can be served on the President at 8375 Dix Ellis Trail, Suite 101, Jacksonville, FL 32256-8241. Legal process can also be served on the trustee or on the Administrator.

## GENERAL PLAN DEFINITIONS

Many definitions are used in this summary and most are defined in the section where they appear, but the following terms have broader application and are used throughout this summary:

### ACCOUNT

Your Account represents the aggregate value of the various contributions made to the Plan on your behalf, as well as the net earnings on those contributions. Your Account includes (but is not limited to) the following sub-accounts:

- Your Salary Deferral Contribution Account
- Your Matching Contribution Account

### ACP TEST

The ACP Test is a nondiscrimination test applied annually to the Matching Contributions made to the Plan. This test compares the Matching Contributions made by Participants who are highly compensated employees under IRS rules (HCEs) to the amount of Matching Contributions made by non-HCEs. Depending upon the results of the test, shortly after the end of each Plan Year, the Administrator may have to refund to certain HCEs a portion of their Matching Contributions. You will be notified by the Administrator if any of your Matching Contributions have to be refunded.

### ADP TEST

The ADP Test is a nondiscrimination test applied annually to the Salary Deferral Contributions made to the Plan. This test compares the Salary Deferral Contributions made by Participants who are highly compensated employees under IRS rules (HCEs) to the amount of Salary Deferral Contributions made by non-HCEs. The ADP Test is intended to ensure a fair level of participation by all Participants regardless of Compensation levels. Depending upon the results of the test, shortly after the end of each Plan Year, the Administrator may have to refund to certain HCEs a portion of their Salary Deferral Contributions. You will be notified if any portion of your Salary Deferral Contributions has to be refunded.

### ALLOCATION PERIOD

The Allocation Period is the period of time for which a contribution to the Plan is allocated. The Allocation Period is generally the Plan Year, but to the extent contributions are made more frequently than annually, they will be allocated based on the Compensation earned during the Allocation Period.

### DISABILITY

Disability is a physical or mental impairment you suffer after you become a Participant in the Plan (and while you are still an employee) which, in the opinion of a physician acceptable to the Administrator, totally and permanently prevents you from performing your customary and usual duties for us. If a difference of opinion arises between you and the Administrator as to whether you have suffered a Disability, it will be settled by a majority decision of three physicians, one to be appointed by the Administrator, one to be appointed by you, and the third to be appointed by the first two physicians.

### HOUR OF SERVICE

An Hour of Service is any hour for which you have a right to be paid by us for the performance of duties.

### MATCHING CONTRIBUTION

A Matching Contribution is a contribution we make to the Plan which matches some portion (or all) of the Salary Deferral Contributions you make to the Plan.

**NORMAL RETIREMENT AGE**

Normal Retirement Age is the date you reach age 65.

**PERIOD OF SERVICE**

A Period of Service is a period of time used to determine your eligibility to participate in the Plan and to determine your Vested Interest in your Account. In general, a Period of Service begins on your employment commencement date and ends on the date you terminate employment, but in actually determining your eligibility and Vested Interest, smaller portions of your Period of Service (for example, a 1- year Period of Service or a 6-month Period of Service) will be used by the Plan. The rules for determining your Period of Service are much more complex than what is described in this paragraph, especially the rules that apply if you terminate employment and are subsequently rehired. For more information regarding these rules, you can check with the Plan Administrator.

**PLAN YEAR**

The Plan Year is the 12 consecutive month accounting year of the Plan, and it begins each January 1st and ends the following December 31st.

**SALARY DEFERRAL CONTRIBUTION**

A Salary Deferral Contribution is the amount you elect to contribute to the Plan through payroll withholding.

**VESTED INTEREST**

Your Vested Interest is the percentage of your Account to which you are entitled at any point in time. This percentage, in turn, is the aggregate of your Vested Interest in your various sub- accounts. Different types of accounts have different vesting requirements, which are explained in more detail in other sections of the SPD that pertain to particular types of contributions. However, notwithstanding any vesting schedule set forth in those other sections of the SPD, you will have a 100% Vested Interest in your Account upon reaching Normal Retirement Age, upon your death while you are still a Participant but before you terminate employment, or upon suffering a Disability while you are still a Participant but before you terminate employment.

**SALARY DEFERRAL CONTRIBUTIONS****HOW THE CONTRIBUTION IS DETERMINED**

Your Salary Deferral Contributions for any calendar year can't exceed the lesser of 100% of your Compensation or the annual dollar limit on Salary Deferral Contributions. This annual dollar limit is \$16,500 for calendar year 2010, and will thereafter be the amount set annually by law. Salary Deferral Contributions are allocated to your Salary Deferral Contribution Account.

If you are a "catch-up eligible" Participant, you can make additional "catch -up contributions" to the Plan in excess of the limits on Salary Deferral Contributions described above. You are a catch- up eligible Participant for any calendar year in which you have reached (or will reach) at least age 50 by the end of that calendar year. The catch-up contribution limit is \$5,500 for calendar year 2010, and will thereafter be the amount set annually by law.

**HOW YOU BECOME A PARTICIPANT**

To become a Participant in the Salary Deferral Contribution portion of the Plan, you must satisfy the following criteria (described in more detail below) for this portion of the Plan: (a) you must be an Eligible Employee; (b) you must satisfy the service requirement (and all service with us and with Stratasoft, Inc., TRG Insurance Solutions, LLC, TRG Holdings, LLC, iSky, Inc., TRG Field Solutions, Inc. and TRG Satmap, Inc. will be counted for this purpose, as well as service with Telespectrum, Inc., Reese Teleservices, Inc. and Blasiar, Inc. DBA Alert Communications Company); and (c) you must be employed by us on the applicable entry date.

• **ELIGIBLE EMPLOYEES.** All employees are Eligible Employees for this portion of the Plan except for the following ineligible classes of Employees: (a) employees whose employment is governed by a collective bargaining agreement in which retirement benefits were the subject of good faith bargaining; and (b) anyone who is a leased employee.

• **SERVICE REQUIREMENT.** Prior to April 20, 2010, you must be credited with at least a 3-month Period of Service. Effective May 1, 2010, you must be credited with at least a 1-month Period of Service.

• **ENTRY DATE.** You will enter this portion of the Plan as a Participant on the first day of the month that coincides with or next follows the date that you first satisfy the service requirement described above.

#### **SALARY DEFERRAL AGREEMENTS**

You must file a Salary Deferral Agreement with the Administrator before you can begin making Salary Deferral Contributions to the Plan. This agreement is where you indicate the amount you want withheld from your Compensation and contributed to the Plan on your behalf. You can elect to contribute either a percentage of your Compensation or a flat dollar amount.

After your initial election, you can change your Salary Deferral Agreement by filing a new agreement with the Administrator at any time during the Plan Year. You can also cancel your deferral agreement at any time by giving written notice (not to exceed 30 days) to the Administrator. If you do cancel your agreement, you will not be permitted to make a new election until the first available date that you would otherwise be entitled to change an existing agreement as described in the preceding sentence. The Administrator from time to time may establish additional administrative procedures (or change existing procedures) concerning deferral elections, in which case you will be appropriately notified.

The Administrator can temporarily suspend your deferral agreement if you reach the maximum amount that is permitted by law or the Plan, or if the Administrator believes the Plan may fail the ADP Test. You will be notified if your deferral agreement is temporarily suspended.

If you have not elected in your Salary Deferral Agreement to withhold at the maximum rate permitted for a Plan Year and you want to increase the total amount withheld for that Plan Year up to the maximum permitted rate, then you can make a supplemental election at any time during the last two months of the Plan Year to withhold an additional amount for one or more pay periods.

#### **HOW YOUR COMPENSATION IS DETERMINED**

In general, you can make Salary Deferral Contributions from the amount reported on your Form W-2 (your "Compensation") for the Plan Year. However, you cannot make Salary Deferral Contributions from Compensation in excess of the annual dollar limit on Compensation, which is \$245,000 for the Plan Year beginning in 2010, and which will thereafter be the amount set annually by law. You also cannot make Salary Deferral Contributions from (a) amounts received prior to the date you become a Participant in the Elective Deferral portion of the Plan; and (b) amounts received while you are a member of a class of employees which is ineligible to participate in the Elective Deferral portion of the Plan.

#### **HOW YOUR VESTED INTEREST IS DETERMINED**

Your Vested Interest in your Salary Deferral Contribution Account is 100% upon your entry into this portion of the Plan and at all times thereafter.

#### **MATCHING CONTRIBUTIONS**

##### **HOW THE CONTRIBUTION IS DETERMINED**

We will make a Matching Contribution to the Plan (either annually or on a more frequent basis) for each eligible Participant equal to 25% of his or her Salary Deferral Contributions that do not exceed 6% of Compensation.



## HOW YOU BECOME A PARTICIPANT

To become a Participant in the Matching Contribution portion of the Plan, you must satisfy the following criteria (described in more detail below) for this portion of the Plan: (a) you must be an Eligible Employee; (b) you must satisfy the service requirement (and all service with us and with Stratasoft, Inc., TRG Insurance Solutions, LLC, TRG Holdings, LLC, iSky, Inc., TRG Field Solutions, Inc. and TRG Satmap, Inc. will be counted for this purpose, as well as service with Telespectrum, Inc., Reese Teleservices, Inc. and Blasiar, Inc. DBA Alert Communications Company); and (c) you must be employed by us on the applicable entry date.

• **ELIGIBLE EMPLOYEES.** All employees are Eligible Employees for this portion of the Plan except for the following ineligible classes of Employees: (a) employees whose employment is governed by a collective bargaining agreement in which retirement benefits were the subject of good faith bargaining; and (b) anyone who is a leased employee.

• **SERVICE REQUIREMENT.** You must be credited with at least a 1-year Period of Service.

• **ENTRY DATE.** You will enter this portion of the Plan as a Participant on the same date that you first satisfy the service requirement described above. **HOW YOU QUALIFY FOR A CONTRIBUTION ALLOCATION** Once you become a Participant in this portion of the Plan, you are eligible for a Matching Contribution for any Allocation Period in which we make one if you satisfy the requirements (if any) described below for that Allocation Period. Matching Contributions are allocated to your Matching Contribution Account. • **ACTIVE PARTICIPANTS.** If you are still employed by us on the last day of an Allocation Period, you will be eligible to receive an allocation. • **TERMINATED PARTICIPANTS.** If you terminate employment with us for any reason before the last day of an Allocation Period, you will be eligible to receive an allocation for that Allocation Period. **HOW YOUR COMPENSATION IS DETERMINED** In general, the amount of any Matching Contributions made on your behalf is based on the amount reported on your Form W-2 (your "Compensation") for the Plan Year. However, Matching Contributions will not be made with respect to Compensation in excess of the annual dollar limit on Compensation, which is \$245,000 for the Plan Year beginning in 2010, and which will thereafter be the amount set annually by law. Matching Contributions will also not be made with respect to the following Compensation: (a) amounts received prior to the date you become a Participant in the Matching Contribution portion of the Plan; and (b) amounts received while you are a member of a class of employees which is ineligible to participate in the Matching Contribution portion of the Plan. **HOW YOUR VESTED INTEREST IS DETERMINED** Your Vested Interest in your Matching Contribution Account is determined by the schedule following this paragraph, based on your credited Periods of Service as of the date your Vested Interest is determined. In determining your Vested Interest in this account, all of your Periods of Service will be counted (including Periods of Service with Stratasoft, Inc., TRG Insurance Solutions, LLC, TRG Holdings, LLC, iSky, Inc., TRG Field Solutions, Inc. and TRG Satmap, Inc., as well as with Telespectrum, Inc., Reese Teleservices, Inc. and Blasiar, Inc. DBA Alert Communications Company) . Any part of this account which is not vested will be forfeited when you receive a distribution of your Vested Interest (or after you incur 5 consecutive Breaks in Service, if earlier) and will thereafter be used to reduce our other contributions.

1-Year Period of Service .....25% Vested 2-Year Period of Service .....50% Vested 3-Year Period of Service .....75% Vested 4-Year Period

of Service .....100% Vested

#### **TOP HEAVY REQUIREMENTS**

Under certain circumstances, you may be entitled to a minimum allocation for any Plan Year in which the Plan is considered "top heavy." The Plan is considered top heavy for any Plan Year in which more than 60% of Plan assets are allocated to the Accounts of Participants who are "key" employees (that is, employees who satisfy certain ownership requirements and employees who are officers and whose Compensation for the Plan Year exceeds certain IRS limits). However, the Plan automatically satisfies this requirement in any Plan Year for which we make a contribution on your behalf to another qualified retirement plan (if any) that we sponsor.

If the Plan is not exempt, then for each Plan Year in which the Plan is considered top heavy and in which you are employed by us on the last day of the Plan Year, you will receive a minimum allocation equal to the lesser of 3% of your Compensation or the highest percentage of Compensation allocated for that Plan Year to the Accounts of Participants who are key employees.

#### **MAXIMUM ALLOCATION LIMITATIONS**

The amount of contributions and forfeitures that can be allocated to your Account for any Plan Year is limited by law to the lesser of 100% of your Compensation or the annual dollar limit, which is \$49,000 for the Plan Year beginning in 2010, and which will thereafter be the amount set annually by law. This limitation does not apply to the amount of earnings that can be allocated to your Account, to the amount of any Rollover Contributions you can make to the Plan, or to any other funds transferred to this Plan on your behalf from another qualified retirement plan.

#### **ROLLOVER CONTRIBUTIONS**

If you participated in another retirement plan, you may be permitted to roll over any distribution you receive from the other plan to this Plan if all legal requirements (and any requirements imposed by the Administrator) on such rollovers are satisfied. Do not withdraw funds from any other plan or account until you have received written approval from the Administrator to roll those funds into this Plan. If you do decide to make a rollover contribution and it is accepted by the Administrator, it will be kept in a separate Rollover Account established on your behalf. You will at all times have a 100% Vested Interest in your Rollover Account, and you can make withdrawals from your Rollover Account when you terminate employment.

#### **DISTRIBUTION OF BENEFITS**

##### **DISTRIBUTIONS FOR REASONS OTHER THAN DEATH**

If you terminate employment with us for any reason and your Vested Interest (excluding your Rollover Account) is \$5,000 or less, it will be distributed in a lump sum as soon as administratively feasible after you terminate employment. The distribution will be made to you or, at your election, will be rolled over either to another qualified retirement plan that agrees to receive the distribution or to an individual retirement account (IRA) established by you. However, if your Vested Interest (excluding your Rollover Account) is more than \$ 1,000 but not more than \$5,000 and you fail to elect either a lump sum or a rollover as described above, we will establish an individual retirement account (IRA) for you at a qualified financial institution of our choosing and will automatically roll your Vested Interest over to that IRA. Your funds will then be invested in a type of investment designed to preserve principal and provide a reasonable rate of return and liquidity, such as an interest-bearing account, a certificate of deposit, or a money market fund. The IRA provider will charge your IRA for any expenses associated with the establishment and maintenance of the IRA and with the IRA investments. If your Vested Interest is rolled over to an IRA under this "automatic rollover" requirement, you will be given more information at that time regarding the IRA provider and any fees or expenses associated with the IRA.

If your Vested Interest is more than \$5,000 and you terminate employment for any reason other than death, your Vested Interest will be distributed within an administratively feasible time after you request payment. Your Vested Interest will be distributed as monthly payments from an insurance company. Monthly payments will cease when you die unless you're married when payments begin, in which case your surviving spouse (if any) will then begin receiving a monthly payment for the balance of his or her life. Your spouse's monthly payment will equal 50% of the monthly payment you are receiving when you die (unless you elect a higher percentage). You can elect any percentage between 50% and 100%, but the amount of each monthly payment you receive will be decreased as the percentage you elect for your spouse is increased.

With your spouse's written consent, you can also elect not to receive monthly payments and instead elect to receive either (a) a lump sum; or (b) substantially equal installment payments over a specified period of time. If you elect installment payments, there are limits on how long the payments can be made, and they will be explained to you at the appropriate time. If you elect a lump sum, it can be paid to you or, at your election, rolled over to another qualified retirement plan that agrees to receive the distribution or to an individual retirement account.

In addition to the benefit payments described above, there are rules which require that certain minimum distributions be made from the Plan. Generally, these minimum distributions must begin no later than (a) the April 1st following the end of the calendar year in which you reach age 70 1/2 or (b) the April 1st following the end of the calendar year in which you retire. However, if you are a 5% owner, you must begin receiving minimum distributions by the April 1st following the end of the year in which you reach age 70 1/2 even if you are still employed by the Employer.

#### **DISTRIBUTIONS UPON DEATH**

Your Vested Interest will be distributed to your beneficiary as soon as administratively feasible after your death. If you are not married, you can name anyone to be your beneficiary. If you are married, your spouse is automatically the beneficiary of 50% of your Vested Interest, but you can name anyone else (including your spouse) to receive the other 50% of your Vested Interest. Your spouse can waive in writing his or her statutory death benefit, in which case you can name one or more other beneficiaries to receive your entire Vested Interest. A non-spouse beneficiary can elect to receive (a) a lump sum; or (b) substantially equal installment payments over a specified period of time (although there are limits on how long installment payments can be made, which will be explained to your beneficiary at the appropriate time). However, any death benefit payable to your spouse will be distributed as monthly payments until his or her death unless, with your spouse's written consent, you waive the monthly payments, in which case your spouse can elect to receive (a) a lump sum; or (b) substantially equal installment payments as described above.

If your death occurs *before* the date that minimum distributions must begin (as described in the preceding section), the distribution of your Vested Interest to your beneficiary must be made within certain legal timeframes which are dependent upon several factors, including (a) whether you have a designated beneficiary, (b) your relationship to the beneficiary (spousal or non-spousal beneficiary) and (c) certain elections that your beneficiary may make after your death. However, if your death occurs *after* the date that minimum distributions must begin, the minimum death benefit that must be paid to your beneficiary each year after your death is based on the longer of your remaining life expectancy (had you survived) or the remaining life expectancy of your beneficiary. Your beneficiary may also choose to accelerate the payment rate. Please contact the Administrator for more information regarding payments to beneficiaries.

Any death benefit received by your spouse can be rolled over to an IRA. Effective as of January 1, 2007, a non-spouse beneficiary may establish a special IRA (an "Inherited IRA") that can receive a direct rollover of all (except for any required minimum distributions) or a portion of a death benefit that would be distributed from the Plan to that non-spouse beneficiary.

Certain portions of a death benefit may not be eligible to be rolled over from the Plan into an Inherited IRA. If you (a deceased Participant) needed to take a required minimum distribution in the year of your death (but you have not yet taken that required minimum distribution), then that required minimum distribution cannot be rolled over from the Plan into an Inherited IRA. Similarly, if the non-spouse beneficiary needs to take any required minimum distribution from the Plan for the year in which the direct rollover occurs (or any prior year), then the non-spouse beneficiary cannot roll over that required minimum distribution into an Inherited IRA.

If the non-spouse beneficiary elects to roll over the death benefit to an Inherited IRA, then the inherited IRA will be subject to complicated required minimum distribution rules. You should inform your non-spouse beneficiary that (a) he or she is designated to receive your death benefit, and (b) your death benefit can be rolled over to an Inherited IRA. The non-spouse beneficiary should discuss any planning issues and tax consequences with their professional tax advisor with respect to a direct rollover of your death benefit into an Inherited IRA.

#### **HARDSHIP DISTRIBUTIONS**

Effective May 1, 2010, Hardship Distributions are no longer permitted under the Plan.

#### **IN-SERVICE DISTRIBUTIONS**

As long as you are an employee and you have reached age 59½, you can, with the written consent of your spouse, take a lump sum distribution of up to 100% of your Salary Deferral Contribution Account. You can also, with the written consent of your spouse, take a lump sum distribution of up to 100% of your Vested Interest in your Matching Contribution Account, provided you have reached age 59½.

#### **LOANS TO PARTICIPANTS**

You are permitted to borrow from the Plan with the approval of the Administrator. All loans will be made in accordance with the Loan Policy established by the Administrator. If the Loan Policy is not attached to this summary, you can obtain a copy from the Administrator.

#### **INVESTMENT OF ACCOUNTS**

Subject to an investment policy established by the Administrator, you can direct how your Account will be invested. You can choose from any investment options offered by the Plan. You can switch between investments as often as is permitted under the investment options you choose. All earnings and losses on your directed investments will be credited directly to your Account. Investment results will reflect any fees and investment expenses for the investments you select. You may request more information on fees associated with an investment option from the Administrator. At the appropriate time, we will provide you with more detailed information about the investment options offered by the Plan.

*We intend to comply with Section 404(c) of the Employee Retirement Income Security Act of 1974. This means that if you are permitted to exercise independent control over the investment of your Account and you are offered a reasonably diverse selection of well managed investment options, then the fiduciaries of the Plan, including the Administrator and us, may be relieved of certain liabilities for any losses which occur because you exercise control.*

#### **TAX WITHHOLDING ON DISTRIBUTIONS**

Due to the complexity and frequency of changes in the federal laws that govern benefit distributions, penalties and taxes, the following is only a brief explanation of the law and IRS rules and regulations as of the date this summary is issued. You will receive additional information from the Administrator at the time of any benefit distribution, and you should consult your tax advisor to determine your personal tax situation before taking the distribution.

## **DIRECT ROLLOVERS NOT SUBJECT TO TAX**

Any eligible distribution that is directly rolled over to another eligible retirement account (either another qualified retirement plan or an individual retirement account) is not subject to income tax withholding. Generally, any part of a distribution from this Plan can be directly rolled over to another eligible retirement account unless the distribution (1) is part of a series of equal periodic payments made over your lifetime, or over the lifetime of you and your beneficiary, or over a period of 10 years or more; or (2) is a minimum benefit payment which must be paid to you by law. There are other distributions that are not eligible for direct rollover treatment, and you should contact the Administrator if you have questions about a particular distribution.

## **20% WITHHOLDING ON TAXABLE DISTRIBUTIONS**

If you have your benefit paid to you and it's eligible to be rolled over, you only receive 80% of the benefit payment. The Administrator is required to withhold 20% of the benefit payment and remit it to the Internal Revenue Service as income tax withholding to be credited against your taxes. If you receive the distribution before you reach age 59½, you may also have to pay an additional 10% tax. You can still rollover all or a part of the 80% distribution that is paid to you by putting it into an IRA or into another qualified retirement plan within 60 days of receiving it. If you want to rollover 100% of the eligible distribution to an IRA or to another qualified retirement plan, you must find other money to replace the 20% that was withheld. You cannot elect out of the 20% withholding (1) unless you are permitted (and elect) to leave your benefit in this Plan, or (2) unless you have 100% of an eligible distribution transferred directly to an IRA or to another qualified retirement plan that accepts rollover contributions.

## **CLAIMS PROCEDURE**

If you feel that you are entitled to a benefit that you are not receiving from the Plan, you can make a written request to the Plan Administrator (or its delegate) for that benefit. Benefits fall into two categories – Disability related benefits and non-Disability related benefits. The claims procedure for each benefit is similar, but there are differences. The claims procedure and appeals process for each type of benefit is explained in more detail below.

## **CLAIMS FOR NON-DISABILITY BENEFITS**

If you feel that you are entitled to a non-Disability related benefit that you are not receiving, you can make a written request to the Administrator (or its delegate) for the benefit. If your request is denied, you will be informed by written or electronic notice within 90 days after the Administrator receives your request. This notice will contain the following information: (a) the specific reason or reasons for denial; (b) specific reference to the Plan provisions on which the denial is based; (c) a description of any additional material or information necessary in order to present a thorough appeal and an explanation of why such material or information is needed; and (d) an explanation of the claim appeal procedure and time limits applicable to the procedure, including a statement of your right to bring a civil action under ERISA Section 502 after a denial on appeal.

*Note: If the Administrator needs more than 90 days to review your claim for benefits, you will be advised by written or electronic notice within 90 days after the Administrator receives your claim. The notice will tell you why the Administrator needs more time (which cannot exceed an additional 90 days), and the date by which you can expect a decision.*

If you disagree with the Administrator's decision to deny your claim, you can appeal the denial to the Administrator. You must submit this appeal to the Administrator within 60 days after the date that you receive the notice of denial of your initial claim. For purposes of the review, you have the right to (a) submit written comments, documents, records and other information relating to the claim for benefits; (b) request, free of charge, reasonable access to, and copies of all documents, records and other information relevant to your claim for benefits; and (c) a review that takes into account all comments, documents, records, and other information you submitted relating to the claim, regardless of whether the information was submitted or considered in the initial decision.

Your denied claim will be reviewed by the Administrator and within 60 days after receipt of the request for review you will receive a written or electronic notice of the Administrator's decision. The notice will (a) provide the specific reason or reasons for denial; (b) refer to the provisions of the Plan on which the denial is based; (c) contain a statement that you are entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to your claim; and (d) describe any voluntary appeal procedures offered by the Plan and your right to obtain information about the procedures, and a statement of your right to bring a civil action if you disagree with the Plan Administrator's decision on appeal.

*Note: If the Administrator needs more than 60 days to review your denied claim, you will be advised in writing (or electronically) within 60 days after the Administrator receives the request for review. The notice will tell you why the Administrator needs more time (up to an additional 60 days), and the date by which you can expect a decision.*

#### **CLAIMS FOR DISABILITY BENEFITS**

If you feel that you are entitled to a Disability-related benefit that you are not receiving, you can make a written request to the Plan Administrator (or its delegate) for the benefit. If your request is denied, you will be informed by written or electronic notice within 45 days after the Administrator receives your request. This notice will contain the following information: (a) the specific reason or reasons for denial; (b) specific reference to the Plan provisions on which the denial is based; (c) a description of any additional material or information necessary in order to present a thorough appeal and an explanation of why such material or information is needed; and (d) an explanation of the claim appeal procedure and time limits applicable to the procedure, including a statement of your right to bring a civil action under ERISA Section 502 after a denial on appeal. In addition, if an internal rule, guideline, protocol, or other similar criterion was used in making the adverse determination, the notice must provide either the specific rule, guideline, protocol, or other similar criterion, or a statement that the rule, guideline, protocol, or other similar criterion was relied upon in making the adverse determination and that a copy of the rule, guideline, protocol, or other criterion will be provided to you free of charge upon request; and if the adverse benefit determination is based on a medical necessity or experimental treatment or similar exclusion or limit, the notice must provide either an explanation of the scientific or clinical judgment for the determination, applying the terms of the Plan to your medical circumstances, or a statement that the explanation will be provided to you free of charge upon request.

*Note: If the Administrator needs more than 45 days to review your claim for benefits because of matters beyond the Administrator's control, you will be advised by written or electronic notice within 45 days after the Administrator receives your claim. The notice will tell you why the Administrator needs more time (which cannot exceed an additional 30 days) and the date by which you can expect a decision. If, prior to the end of the first 30-day extension period, the Administrator determines that more time is needed to review your claim, then the period for making the determination can be extended for up to an additional 30 days if you are notified prior to the expiration of the first 30-day extension period why an extension is needed and the date by which the Administrator expects to render a decision. Any notice of extension will specifically explain the standards on which entitlement to a benefit is based, the unresolved issues that prevent a decision on the claim, and the additional information needed to resolve those issues, and you will be afforded at least 45 days within which to provide the specified information.*

If you disagree with the Administrator's decision to deny your claim, you can appeal the denial to the Administrator, who will then appoint an independent party to review your appeal. You must submit this appeal to the Administrator within 180 days after the date that you receive the notice of denial of your initial claim. If your appeal is based in whole or in part based on a medical judgment, including determinations with regard to whether a particular treatment, drug, or other item is experimental, investigational, or not medically necessary or appropriate, then the party reviewing your appeal will consult with a health care professional who has appropriate training and experience in the field of medicine involved in the medical judgment. You will also be given the name of any medical or vocational expert whose advice was obtained by the Administrator in connection with the initial denial, even if the advice was not relied upon in denying your claim.

Your denied claim will be reviewed by the Plan Administrator and within 45 days after receipt of the request for review you will receive a written notice of the Plan Administrator's decision. The notice will (a) provide the specific reason(s) for the denial; (b) refer to the provisions of the Plan on which the denial is based; (c) contain a statement that you are entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to your claim; and (d) describe any voluntary appeal procedures offered by the Plan and your right to obtain information about the procedures, and a statement of your right to bring a civil action if you disagree with the Plan Administrator's decision on appeal.

*Note: If the Plan Administrator needs more than 45 days to review your denied claim, you will be advised in writing within 45 days after the Administrator receives the request for review. The notice will tell you why the Plan Administrator needs more time (which cannot exceed an additional 45 days), and the date by which you can expect a decision.*

#### **OTHER INFORMATION**

#### **ATTACHMENT OF YOUR ACCOUNT**

Your creditors cannot garnish or levy upon your Account except in the case of a proper Internal Revenue Service tax levy, and you cannot assign or pledge your Account except as collateral for a loan from the Plan or as directed through a Qualified Domestic Relations Order as part of a divorce, child support or similar proceeding in which a court orders that all or part of your Account be transferred to another person (such as your ex-spouse or your children). The Plan has a procedure for processing QDROs, which you can obtain free of charge from the Administrator.

#### **AMENDMENT OR TERMINATION OF THE PLAN**

Although we intend for the Plan to be permanent, we can amend or terminate it at any time. If we do terminate the Plan, all Participants will have a 100% Vested Interest in their Accounts as of the Plan termination date, and all Accounts will be available for distribution at the same time and in the same manner as would have been permissible had the Plan not been terminated.

#### **ACCOUNTS ARE NOT INSURED**

Your Account is not insured by the Pension Benefit Guaranty Corporation (PBGC) because the insurance provisions of ERISA do not apply to 401(k) plans. For more information on PBGC coverage, ask the Administrator or contact the PBGC. Written inquiries to the PBGC should be addressed to: Technical Assistance Division, PBGC, 1200 K Street NW, Suite 930, Washington, D.C. 20005-4026. You can also call the PBGC with any questions at (202) 326-4000.

#### **PAYMENT OF PLAN EXPENSES**

The Plan routinely incurs expenses for the services of lawyers, actuaries, accountants, third party administrators, and other advisors. Some of these expenses may be paid directly by us while other expenses may be paid from the assets of the Plan. The expenses that are paid from Plan assets will be shared by all Participants either on a pro-rata basis or an equal dollar basis. If the expense is paid on a pro-rata basis, an amount will be deducted from your Account based on its value as compared to the total value of all Participants' Accounts. For example, if the Plan pays \$1,000 of expenses and your Account constitutes 5% of the total value of all Accounts, \$50 would be deducted from your Account ( $\$1,000 \times 5\%$ ) for its share of the expense. On the other hand, if the expense is paid on an equal dollar basis, the expense is divided by the number of Participants and then the same dollar amount is deducted from each Participant's Account.

#### **QUALIFIED RESERVIST DISTRIBUTIONS**

Special rules apply to any Qualified Reservist Distribution taken after September 11, 2001. A Qualified Reservist Distribution may be made to a Qualified Reservist under any circumstance and/or for any reason. A Qualified Reservist Distribution is any distribution of Elective Deferrals to a Qualified Reservist that is made during the period beginning on the date that the Qualified Reservist is ordered or called to duty and ending on the last day of active duty. A Qualified Reservist is an individual who is a member of a reserve component and who is called to active duty after September 11, 2001 either for a period in excess of 179 days or for an indefinite period.

Qualified Reservist Distributions are not subject to the 10% early withdrawal penalty tax. In addition, at any time during the two-year period beginning on the day after the last day of the Qualified Reservist's active duty (but the two-year period will not end earlier than August 17, 2008), a Qualified Reservist who has received one or more Qualified Reservist Distributions may make one or more repayment contributions to an IRA; the aggregate amount of the repayment contributions cannot exceed the total amount of the Qualified Reservist Distributions. The dollar or compensation limitations that apply to contributions to an IRA do not apply to any repayment contribution of Qualified Reservist Distributions. However, you will not receive any tax deduction for repayment of Qualified Reservist Distributions to an IRA.

## **STATEMENT OF ERISA RIGHTS**

### **YOUR RIGHT TO RECEIVE INFORMATION**

As a Participant, you are entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974 (ERISA). ERISA provides that all Plan Participants are entitled to (a) examine, without charge, at the Plan Administrator's office and at other specified locations, such as worksites and union halls, all documents governing the Plan, including insurance contracts and collective bargaining agreements, and a copy of the latest annual report (Form 5500 Series) filed by the Plan with the U.S. Department of Labor and available at the Public Disclosure Room of the Pension and Welfare Benefit Administration; (b) obtain copies of documents governing the operation of the Plan, including insurance contracts and collective bargaining agreements, and copies of the latest annual report (Form 5500 Series) and updated summary plan description upon written request to the Plan Administrator. The Administrator may make a reasonable charge for the copies; (c) receive a summary of the Plan's annual financial report. The Plan Administrator is required by law to furnish each Participant with a copy of this summary annual report; and (d) obtain a statement telling you whether you have a right to receive a pension at Normal Retirement Age (which is defined elsewhere in this summary plan description) and if so, what your benefits would be at Normal Retirement Age if you stop working under the Plan now. If you do not have a right to a pension, the statement will tell you how many more years you have to work to get a right to a pension. This statement must be requested in writing and is not required to be given more than once every twelve (12) months. The Plan must provide the statement free of charge.

### **DUTIES OF PLAN FIDUCIARIES**

In addition to creating rights for Plan Participants, ERISA imposes duties upon the people who are responsible for the operation of the Plan. The people who operate your Plan, called "fiduciaries" of the Plan, have a duty to do so prudently and in the interest of you and other Plan Participants and beneficiaries. No one, including your Employer, your union, or any other person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a pension benefit or exercising your rights under ERISA.

### **ENFORCEMENT OF RIGHTS**

If your claim for a pension benefit is denied or ignored, in whole or in part, you have a right to know why this was done, to obtain copies of documents relating to the decision without charge, and to appeal any denial, all within certain time schedules. Under ERISA, there are steps you can take to enforce the above rights. For instance, if you request a copy of Plan documents or the latest annual report from the Plan and do not receive them within 30 days, you may file suit in a Federal court. In such a case, the court may require the Plan Administrator to provide the materials and pay you up to \$110 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the Administrator. If you have a claim for benefits which is denied or ignored, in whole or in part, you may file suit in a state or Federal court. In addition, if you disagree with the Plan's decision or lack thereof concerning the qualified status of a domestic relations order, you may file suit in Federal court. If it should happen that Plan fiduciaries misuse the Plan's money, or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor, or you may file suit in a Federal court. The court will decide who should pay court costs and legal fees. If you are successful, the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees, for example, if it finds your claim is frivolous.



**ASSISTANCE WITH YOUR QUESTIONS**

If you have any questions about your Plan, you should contact the Plan Administrator. If you have any questions about this statement or about your rights under ERISA, or if you need assistance in obtaining documents from the Plan Administrator, you should contact the nearest office of the Employee Benefits Security Administration, U.S. Department of Labor, listed in your telephone directory (or which can also be found at the Employee Benefits Security Administration website at [http://www.dol.gov/ebsa/aboutebsa/org\\_chart.html](http://www.dol.gov/ebsa/aboutebsa/org_chart.html)) or the Division of Technical Assistance and Inquiries, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue N.W., Washington, D.C. 20210.

You can call the Employee Benefits Security Administration at (866) 444-3272; TTY/TDD users: (877) 889-5627. You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the Employee Benefits Security Administration. You may obtain additional pension-related information at the Department of Labor's website at <http://www.dol.gov/ebsa/publications/wyskapr.html> where you can review a publication called "*What You Should Know About Your Retirement Plan.*"

Intellectual Property, Source Code Escrow AgreementsTrademarks

Grantor: TRG Customer Solutions, Inc.

Mark	Jurisdiction	Application/ Registration No.	Filing Date/ Registration Date	Goods/Services	Status
IBEX GLOBAL <sup>1</sup>	USA	85864063	March 1, 2013	Business process outsourcing services in the field of customer contact centers and customer care and support centers (Class 35)	Pending
IBEX GLOBAL	Canada	1616559	March 11, 2013	Business process outsourcing services in the field of customer contact centers and customer care and support centers	Pending
IBEX GLOBAL	CTM <sup>2</sup>	011626462	July 30, 2013	Business process outsourcing services in the field of customer contact centers and customer care and support centers (Class 35)	Registered

<sup>1</sup> No claim is made to the exclusive right to use "GLOBAL" apart from the mark as shown.

<sup>2</sup>The countries covered by a CTM (Community Trade Mark) registration are Austria, Benelux (Belgium, the Netherlands and Luxembourg), Bulgaria, Cyprus, the Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Malta, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden and the United Kingdom. A CTM registration is valid in the European Union as a whole. It is not possible to limit the geographic scope of protection to certain Member States.

Mark	Jurisdiction	Application/ Registration No.	Filing Date/ Registration Date	Goods/Services	Status
IBEX GLOBAL	OAPI <sup>3</sup>	3 2013 01202	April 12, 2013	Business process outsourcing services in the field of customer contact centers and customer care and support centers (Class 35)	Pending
IBEX GLOBAL	Pakistan	335654	March 6, 2013	Business process outsourcing services in the field of customer contact centers and customer care and support centers (Class 35)	Pending
IBEX GLOBAL	Philippines	42013501326	June 6, 2013	Business process outsourcing services in the field of customer contact centers and customer care and support centers (Class 35)	Pending

**Licenses:** That certain Intellectual Property License Agreement dated as of May 8, 2013, by and between IBEX Global Europe S.a.r.l., a company organized in Luxembourg, and Borrower.

<sup>3</sup> A registration in OAPI (African Intellectual Property Organization) currently affords protection in Benin, Burkina Faso, Cameroon, Central African Republic, Chad, Congo, Equatorial Guinea, Gabon, Guinea, Guinea Bissau, Ivory Coast, Mali, Mauritania, Niger, Senegal and Togo. It is not possible to limit the geographic scope of protection to certain countries.

Schedule 5.10

Licenses and Permits

None

Schedules to Credit and Security Agreement

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Schedule 5.14

Labor Disputes

None

Schedules to Credit and Security Agreement

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Schedule 5.24

Equity Interests

(a) Equity Interests of Borrower

<b>Borrower</b>	<b>Holder of Equity Interests in Borrower</b>	<b>Percentage Ownership</b>
TRG Customer Solutions, Inc. d/b/a IBEX Global Solutions, a Delaware corporation	IBEX Global Solutions PLC, a company incorporated and registered under the laws of England and Wales	100%

(b) Subscriptions, warrants, options, calls, commitments, rights or agreements

None

(c) Convertible or exchangeable shares

None

Please refer to BOX folder 3. MATERIAL AGREEMENTS.

**3.01 - Customer Agreements**

3.01.01\_TRG CS - Apple MSA No. CP20111401\_Effective Date 07-01-11

3.01.09\_TRG CS - AT&T MSA No. 20090831.061.C\_Effective Date 12-04-09

3.01.25\_TRGCS - DirecTV Master Services Agreement\_Effective Date 06-05-12

Schedules to Credit and Security Agreement

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**FIRST AMENDMENT TO  
REVOLVING CREDIT AND SECURITY AGREEMENT**

This First Amendment to Revolving Credit and Security Agreement (this "Amendment") is made as of this 21<sup>st</sup> day of May, 2014, by and among TRG CUSTOMER SOLUTIONS, INC. d/b/a IBEX Global Solutions (together with any Person joined to the Loan Agreement as a borrower, collectively the "Borrowers"), the financial institutions which are now or which hereafter become party to the Loan Agreement as lenders (collectively, the "Lenders"), and PNC BANK, NATIONAL ASSOCIATION ("PNC"), as agent for Lenders (PNC, in such capacity, the "Agent") and as a Lender.

**BACKGROUND**

A. On November 8, 2013, Borrowers, Lenders and PNC as a Lender and as Agent entered into that certain Revolving Credit and Security Agreement (as same has been or may be amended, restated, modified, renewed, extended, replaced or substituted from time to time, the "Loan Agreement") to reflect certain financing arrangements between the parties thereto. All capitalized terms not otherwise defined herein shall have the meaning ascribed thereto in the Loan Agreement.

B. Events of Default have occurred under the Loan Agreement by reason of (i) Borrowers' failure to comply with Section 7.21 of the Credit Agreement for the months of February 2014 and March 2014 (such Events of Default, the "Existing Defaults").

C. Borrowers have requested that Agent and Lenders (i) waive the Existing Defaults, and (ii) modify certain definitions, terms and conditions in the Loan Agreement, and Agent and Lenders are willing to do so on the terms and conditions hereafter set forth.

NOW THEREFORE, with the foregoing background hereinafter deemed incorporated by reference herein and made part hereof, the parties hereto, intending to be legally bound, promise and agree as follows:

**Section 1**      **Waiver**

Upon the Effective Date (as defined below), Agent and Lenders hereby waive the Existing Defaults; provided, however that such waiver shall in no way constitute a waiver of any other Default or Event of Default which may have occurred but which is not specifically referenced as an Existing Default, nor shall this waiver obligate Agent or Lenders to provide any further waiver of any other Default or Event of Default (whether similar or dissimilar, including any further Default or Event of Default resulting from a failure to comply with the terms of the Loan Agreement). Other than in respect of the Existing Defaults, this waiver shall not preclude the future exercise of any right, power, or privilege available to Agent or Lenders whether under the Loan Agreement, the Other Documents or otherwise.

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**Section 2** **Amendment to Loan Agreement**

(a) **Affiliate Payables**. On the Effective Date, the Section 7.21 of the Loan Agreement shall be amended and restated to read as follows:

7.21. **Affiliate Payables**. Permit (a) the terms of any accounts payable due to any Affiliate or Subsidiary of any Borrower to be modified in any manner that is adverse to any Borrower, or (b) the amount of outstanding Receivables owing to the Borrowers from their Affiliates and Subsidiaries to exceed (x) \$3,000,000 in the aggregate at any time during the period beginning on June 30, 2014 and ending on August 30, 2014, or (y) \$2,500,000 in the aggregate at any time on or after August 31, 2014.

**Section 3** **Representations, Warranties and Covenants of Borrowers**

Each Borrower hereby represents and warrants to and covenants with the Agent and the Lenders that:

(a) such Borrower reaffirms all representations and warranties made to Agent and Lenders under the Loan Agreement and all of the Other Documents (as described and defined in the Loan Agreement) and confirms that after giving effect to this Amendment all are true and correct in all material respects as of the date hereof (except to the extent any such representations and warranties specifically relate to a specific date, in which case such representations and warranties were true and correct in all material respects on and as of such other specific date);

(b) from and after the Effective Date, such Borrower reaffirms all of the covenants contained in the Loan Agreement (as amended hereby) (including without limitation, all covenants to pay fees, costs and expenses contained therein), covenants to abide thereby until all Advances, Obligations and other liabilities of Borrowers to Agent and Lenders under the Loan Agreement of whatever nature and whenever incurred, are satisfied and/or released by Agent and Lenders (other than contingent indemnification obligations which survive termination of the Loan Agreement);

(c) after giving effect to this Amendment, no Default or Event of Default has occurred and is continuing under the Loan Agreement or the Other Documents (as described and defined in the Loan Agreement);

(d) such Borrower has the authority and legal right to execute, deliver and carry out the terms of this Amendment, that such actions were duly authorized by all necessary limited liability company or corporate action, as applicable, and that the officer executing this Amendment on its behalf was similarly authorized and empowered, and that this Amendment does not contravene any provisions of its certificate of incorporation or formation, operating agreement, bylaws, or other formation documents, as applicable, or of any material contract or agreement to which it is a party or by which any of its properties are bound; and

(e) this Amendment and all assignments, instruments, documents, and agreements executed and delivered in connection herewith, are valid, binding and enforceable in accordance with their respective terms, except as such enforceability may be limited by any applicable bankruptcy, insolvency, moratorium or similar laws affecting creditors' rights generally.

**Section 4**            **Conditions Precedent/Effectiveness Conditions**

This Amendment shall be effective upon the date of satisfaction of all of the following conditions precedent (the "Effective Date"):

- (a) Agent shall have received this Amendment fully executed by the Borrowers;
- (b) Agent shall have received such other documents as Agent or counsel to Agent may reasonably request; and
- (c) No Default or Event of Default shall have occurred and be continuing under either Loan Agreement after giving effect to the terms of this Amendment.

**Section 5**            **Further Assurances**

Each Borrower hereby agrees to take all such actions and to execute and/or deliver to Agent and Lenders all such documents, assignments, financing statements and other documents, as Agent and Lenders may reasonably require from time to time, to effectuate and implement the purposes of this Amendment.

**Section 6**            **Payment of Expenses**

Borrowers shall pay or reimburse Agent and Lenders for their reasonable fees of external counsel and other expenses in connection with the preparation, negotiation and execution of this Amendment and the documents provided for herein or related hereto.

**Section 7**            **Reaffirmation of Loan Agreement**

Except as modified by the terms hereof, all of the terms and conditions of the Loan Agreement, as amended, are hereby reaffirmed and shall continue in full force and effect as therein written.

**Section 8**            **Confirmation of Indebtedness**

Borrowers confirm and acknowledge that as of the close of business on May 20, 2014, Borrowers were indebted to Lenders for the (a) Advances under the Loan Agreement without any deduction, defense, setoff, claim or counterclaim, of any nature, in the aggregate principal amount of \$19,509,998.04 due on account of Revolving Advances and \$ 0.00 on account of undrawn Letters of Credit, plus in each case all fees, costs and expenses incurred to date in connection with the Loan Agreement.

**Section 9**            **Miscellaneous**

- (a) Third Party Rights. No rights are intended to be created hereunder for the benefit of any third party donee, creditor, or incidental beneficiary.

- (b) Headings. The headings of any paragraph of this Amendment are for convenience only and shall not be used to interpret any provision hereof.
- (c) Modifications. No modification hereof or any agreement referred to herein shall be binding or enforceable unless in writing and signed on behalf of the party against whom enforcement is sought.
- (d) Governing Law. The terms and conditions of this Amendment shall, in accordance with Section 5-1401 of the General Obligations Law of the State of New York, be governed by the laws of the State of New York without regard to any conflicts of laws principles.
- (e) Counterparts. This Amendment may be executed in any number of and by different parties hereto on separate counterparts, all of which, when so executed, shall be deemed an original, but all such counterparts shall constitute one and the same agreement. Any signature delivered by a party by facsimile or pdf transmission shall be deemed to be an original signature hereto.

*[signature page follows]*

IN WITNESS WHEREOF, the parties have caused this Amendment to be executed and delivered by their duly authorized officers as of the date first above written.

**BORROWERS:**

**TRG CUSTOMER SOLUTIONS, INC.**

By: /s/ Stephen M. Kezirian

Name: Stephen M. Kezirian

Title: Chief Executive Officer

**PNC BANK, NATIONAL ASSOCIATION**

as Lender and as Agent

By: /s/ Jacqueline MacKenzie

Jacqueline MacKenzie, Vice President

[SIGNATURE PAGE TO FIRST AMENDMENT TO REVOLVING CREDIT AND SECURITY AGREEMENT]

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IN WITNESS WHEREOF, the parties have caused this Amendment to be executed and delivered by their duly authorized officers as of the date first above written.

**BORROWERS:**

**TRG CUSTOMER SOLUTIONS, INC.**

By: /s/ Stephen M. Kezirian

Name: Stephen M. Kezirian  
Title: Chief Executive Officer

**PNC BANK, NATIONAL ASSOCIATION**  
as Lender and as Agent

By: /s/ Jacqueline MacKenzie

Jacqueline MacKenzie, Vice President

[SIGNATURE PAGE TO FIRST AMENDMENT TO REVOLVING CREDIT AND SECURITY AGREEMENT]

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**SECOND AMENDMENT TO  
REVOLVING CREDIT AND SECURITY AGREEMENT**

This Second Amendment to Revolving Credit and Security Agreement (this "Amendment") is made as of this 2<sup>nd</sup> day of October, 2014, by and among **TRG CUSTOMER SOLUTIONS, INC. d/b/a IBEX Global Solutions** (together with any Person joined to the Loan Agreement as a borrower, collectively the "Borrowers"), the financial institutions which are now or which hereafter become party to the Loan Agreement as lenders (collectively, the "Lenders"), and **PNC BANK, NATIONAL ASSOCIATION** ("PNC"), as agent for Lenders (PNC, in such capacity, the "Agent") and as a Lender.

**BACKGROUND**

A. On November 8, 2013, Borrowers, Lenders and PNC as a Lender and as Agent entered into that certain Revolving Credit and Security Agreement (as same has been or may be amended, restated, modified, renewed, extended, replaced or substituted from time to time, the "Loan Agreement") to reflect certain financing arrangements between the parties thereto. All capitalized terms not otherwise defined herein shall have the meaning ascribed thereto in the Loan Agreement.

B. Events of Default have occurred under the Loan Agreement by reason of (i) Borrowers' incurrence of \$4,400,000 of unsecured Indebtedness to IBM Credit LLC and CIT Finance LLC that does not constitute Permitted Indebtedness, in violation of Section 7.8 of the Loan Agreement, (ii) Borrowers' permitting the amount of outstanding Receivables owing to the Borrowers from their Affiliates and Subsidiaries to exceed \$3,000,000 in the aggregate at any time on or after June 30, 2014, in violation of Section 7.21 of the Loan Agreement, (iii) Borrowers' violation of Section 7.6 of the Loan Agreement by permitting their Capital Expenditures to exceed \$3,000,000; and (iv) Borrowers' failure to comply with the terms of Section 9.12 of the Loan Agreement (such Events of Default, the "Existing Defaults"),

C. Borrowers have informed Agent that Borrowers wish to (1) incur unsecured Indebtedness in an amount not to exceed \$5,600,000 during Borrowers' 2015 fiscal year to finance Capital Expenditures (the "Capital Expenditures Indebtedness").

D. Borrowers have requested that Agent and Lenders (i) waive the Existing Defaults, (ii) consent to the incurrence of the Capital Expenditures Indebtedness, and (iii) modify certain definitions, terms and conditions in the Loan Agreement, and Agent and Lenders are willing to do so on the terms and conditions hereafter set forth.

NOW THEREFORE, with the foregoing background hereinafter deemed incorporated by reference herein and made part hereof, the parties hereto, intending to be legally bound, promise and agree as follows:

**Section 1**     **Waiver**

Upon the Effective Date (as defined below), Agent and Lenders hereby waive the Existing Defaults; provided, however that such waiver shall in no way constitute a waiver of any other Default or Event of Default which may have occurred but which is not specifically referenced as an Existing Default, nor shall this waiver obligate Agent or Lenders to provide any further waiver of any other Default or Event of Default (whether similar or dissimilar, including any further Default or Event of Default resulting from a failure to comply with the terms of the Loan Agreement). Other than in respect of the Existing Defaults, this waiver shall not preclude the future exercise of any right, power, or privilege available to Agent or Lenders whether under the Loan Agreement, the Other Documents or otherwise.

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**Section 2      Consent**

(a) Notwithstanding anything to the contrary in the Loan Agreement, Agent and Lenders hereby consent to the incurrence of the Capital Expenditures Indebtedness in an amount not to exceed \$5,600,000. This consent shall be effective only as to the Capital Expenditures Indebtedness. This consent shall not be deemed a consent to the breach by Borrowers of other covenants or agreements contained in the Loan Agreement or Other Documents with respect to any other transaction or matter. Borrowers agree that the consent set forth in the preceding paragraphs shall be limited to the precise meaning of the words as written therein and shall not be deemed (i) to be a consent to, or any waiver or modification of, any other term or condition of the Loan Agreement or any Other Document, or (ii) to prejudice any right or remedy that Agent or Lenders may now have or may in the future have under or in connection with the Loan Agreement or any Other Document other than with respect to the matters for which the consent in the preceding paragraphs has been provided.

(b) Other than as described in this Amendment, the consent described in the preceding paragraph shall not alter, affect, release or prejudice in any way any of the Obligations under the Loan Agreement. This consent shall not be construed as establishing a course of conduct on the part of Agent or Lenders upon which the Borrowers may rely at any time in the future. Borrowers expressly waive any right to assert any claim to such effect at any time.

**Section 3      Amendments to Loan Agreement**

(a) **Capital Expenditures.** On the Effective Date, Section 7.6 of the Loan Agreement shall be amended and restated to read as follows:

7.6. **Capital Expenditures.** Contract for, purchase or make any expenditure or commitments for Capital Expenditures (i) for the period from the Closing Date through and including June 30, 2015 in an aggregate amount for all Borrowers in excess of \$8,000,000 (including the aggregate amount of Capital Expenditures Indebtedness), or (ii) in any fiscal year thereafter in an aggregate amount for all Borrowers in excess of \$5,000,000.

(b) **Affiliate Payables.** On the Effective Date, Section 7.21 of the Loan Agreement shall be amended and restated to read as follows:

7.21. **Affiliate Payables.** Permit (a) the terms of any accounts payable due to any Affiliate or Subsidiary of any Borrower to be modified in any manner that is adverse to any Borrower, or (b) the amount of outstanding Receivables owing to the Borrowers from their Affiliates and Subsidiaries to exceed (x) \$3,700,000 in the aggregate at any time during the period beginning on July 1, 2014 and ending on December 30, 2014, or (y) \$2,500,000 in the aggregate at any time on or after December 31, 2014.

**Section 4      Representations, Warranties and Covenants of Borrowers**

Each Borrower hereby represents and warrants to and covenants with the Agent and the Lenders that:

- (a) such Borrower reaffirms all representations and warranties made to Agent and Lenders under the Loan Agreement and all of the Other Documents (as described and defined in the Loan Agreement) and confirms that after giving effect to this Amendment all are true and correct in all material respects as of the date hereof (except to the extent any such representations and warranties specifically relate to a specific date, in which case such representations and warranties were true and correct in all material respects on and as of such other specific date);
- (b) from and after the Effective Date, such Borrower reaffirms all of the covenants contained in the Loan Agreement (as amended hereby) (including without limitation, all covenants to pay fees, costs and expenses contained therein), covenants to abide thereby until all Advances, Obligations and other liabilities of Borrowers to Agent and Lenders under the Loan Agreement of whatever nature and whenever incurred, are satisfied and/or released by Agent and Lenders (other than contingent indemnification obligations which survive termination of the Loan Agreement);
- (c) after giving effect to this Amendment, no Default or Event of Default has occurred and is continuing under the Loan Agreement or the Other Documents (as described and defined in the Loan Agreement);
- (d) such Borrower has the authority and legal right to execute, deliver and carry out the terms of this Amendment, that such actions were duly authorized by all necessary limited liability company or corporate action, as applicable, and that the officer executing this Amendment on its behalf was similarly authorized and empowered, and that this Amendment does not contravene any provisions of its certificate of incorporation or formation, operating agreement, bylaws, or other formation documents, as applicable, or of any material contract or agreement to which it is a party or by which any of its properties are bound; and
- (e) this Amendment and all assignments, instruments, documents, and agreements executed and delivered in connection herewith, are valid, binding and enforceable in accordance with their respective terms, except as such enforceability may be limited by any applicable bankruptcy, insolvency, moratorium or similar laws affecting creditors' rights generally.

**Section 5      Conditions Precedent/Effectiveness Conditions**

This Amendment shall be effective upon the date of satisfaction of all of the following conditions precedent (the "Effective Date");

- (a) Agent shall have received payment in cash of a non-refundable amendment fee in the amount of \$30,000, which amount shall be deemed to be fully earned as of the date of this Amendment, and which Agent is authorized to charge to Borrowers' Account as of the date hereof;
- (b) Agent shall have received this Amendment fully executed by the Borrowers;
- (c) Agent shall have received such other documents as Agent or counsel to Agent may reasonably request; and
- (d) No Default or Event of Default shall have occurred and be continuing under either Loan Agreement after giving effect to the terms of this Amendment.



**Section 6** Further Assurances

Each Borrower hereby agrees to take all such actions and to execute and/or deliver to Agent and Lenders all such documents, assignments, financing statements and other documents, as Agent and Lenders may reasonably require from time to time, to effectuate and implement the purposes of this Amendment.

**Section 7** Payment of Expenses

Borrowers shall pay or reimburse Agent and Lenders for their reasonable fees of external counsel and other expenses in connection with the preparation, negotiation and execution of this Amendment and the documents provided for herein or related hereto.

**Section 8** Reaffirmation of Loan Agreement

Except as modified by the terms hereof, all of the terms and conditions of the Loan Agreement, as amended, are hereby reaffirmed and shall continue in full force and effect as therein written.

**Section 9** Confirmation of Indebtedness

Borrowers confirm and acknowledge that as of the close of business on September 30, 2014, Borrowers were indebted to Lenders for the (a) Advances under the Loan Agreement without any deduction, defense, setoff, claim or counterclaim, of any nature, in the aggregate principal amount of \$22,817,930.38 due on account of Revolving Advances and \$0.00 on account of undrawn Letters of Credit, plus in each case all fees, costs and expenses incurred to date in connection with the Loan Agreement.

**Section 10** Miscellaneous

- (a) Third Party Rights. No rights are intended to be created hereunder for the benefit of any third party donee, creditor, or incidental beneficiary.
- (b) Headings. The headings of any paragraph of this Amendment are for convenience only and shall not be used to interpret any provision hereof.
- (c) Modifications. No modification hereof or any agreement referred to herein shall be binding or enforceable unless in writing and signed on behalf of the party against whom enforcement is sought.
- (d) Governing Law. The terms and conditions of this Amendment shall, in accordance with Section 5-1401 of the General Obligations Law of the State of New York, be governed by the laws of the State of New York without regard to any conflicts of laws principles.
- (e) Counterparts. This Amendment may be executed in any number of and by different parties hereto on separate counterparts, all of which, when so executed, shall be deemed an original, but all such counterparts shall constitute one and the same agreement. Any signature delivered by a party by facsimile or pdf transmission shall be deemed to be an original signature hereto.

*[signature page follows]*

IN WITNESS WHEREOF, the parties have caused this Amendment to be executed and delivered by their duly authorized officers as of the date first above written,

**BORROWERS:**

**TRG CUSTOMER SOLUTIONS, INC.**

By:

\_\_\_\_\_  
Name: Stephen M. Kezirian  
Title: Chief Executive Officer

**PNC BANK, NATIONAL ASSOCIATION**

as Lender and as Agent

By:

\_\_\_\_\_  
/s/ Jacqueline MacKenzie  
Jacqueline MacKenzie, Vice President

[SIGNATURE PAGE TO SECOND AMENDMENT TO  
REVOLVING CREDIT AND SECURITY AGREEMENT]

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**THIRD AMENDMENT TO  
REVOLVING CREDIT AND SECURITY AGREEMENT**

This Third Amendment to Revolving Credit and Security Agreement (this "Amendment") is made as of this 23<sup>rd</sup> day of February, 2015, by and among TRG CUSTOMER SOLUTIONS, INC. d/b/a IBEX Global Solutions ("IBEX"), together with any Person joined to the Loan Agreement as a borrower, collectively the "Borrowers", the financial institutions which are now or which hereafter become party to the Loan Agreement as lenders (collectively, the "Lenders"), and PNC BANK, NATIONAL ASSOCIATION ("PNC"), as agent for Lenders (PNC, in such capacity, the "Agent") and as a Lender.

**BACKGROUND**

A. On November 8, 2013, Borrowers, Lenders and PNC as a Lender and as Agent entered into that certain Revolving Credit and Security Agreement (as same has been or may be amended, restated, modified, renewed, extended, replaced or substituted from time to time, the "Loan Agreement") to reflect certain financing arrangements between the parties thereto. All capitalized terms not otherwise defined herein shall have the meaning ascribed thereto in the Loan Agreement.

B. Borrowers have informed Agent that Borrowers wish to (1) incur unsecured Indebtedness in an amount not to exceed \$7,300,000 during Borrowers' 2015 fiscal year to finance Capital Expenditures not to exceed \$10,000,000 during such fiscal year (the "Capital Expenditures Indebtedness"), and (2) convert \$9,000,000 of the \$11,500,000 account payable from IBEX to Holdings referenced in clause (1) of the definition of "Permitted Holdings Distribution" into Equity Interests of IBEX to be issued to Holdings (the "Equity Conversion").

C. Borrowers have requested that Agent and Lenders (i) consent to the incurrence of the Capital Expenditures Indebtedness, (ii) consent to the Equity Conversion, and (iii) modify certain definitions, terms and conditions in the Loan Agreement, and Agent and Lenders are willing to do so on the terms and conditions hereafter set forth.

NOW THEREFORE, with the foregoing background hereinafter deemed incorporated by reference herein and made part hereof, the parties hereto, intending to be legally bound, promise and agree as follows:

**Section 1**      **Consent**

(a) Notwithstanding anything to the contrary in the Loan Agreement, Agent and Lenders hereby consent to (1) the incurrence of the Capital Expenditures Indebtedness, and (2) the Equity Conversion. This consent shall be effective only as to the Capital Expenditures Indebtedness and the Equity Conversion. This consent shall not be deemed a consent to the breach by Borrowers of other covenants or agreements contained in the Loan Agreement or Other Documents with respect to any other transaction or matter. Borrowers agree that the consent set forth in the preceding sentences shall be limited to the precise meaning of the words as written therein and shall not be deemed (i) to be a consent to, or any waiver or modification of, any other term or condition of the Loan Agreement or any Other Document, or (ii) to prejudice any right or remedy that Agent or Lenders may now have or may in the future have under or in connection with the Loan Agreement or any Other Document other than with respect to the matters for which the consent in the preceding paragraphs has been provided.

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(b) Other than as described in this Amendment, the consent described in the preceding paragraph shall not alter, affect, release or prejudice in any way any of the Obligations under the Loan Agreement. This consent shall not be construed as establishing a course of conduct on the part of Agent or Lenders upon which the Borrowers may rely at any time in the future. Borrowers expressly waive any right to assert any claim to such effect at any time.

**Section 2**      **Amendments to Loan Agreement**

(a)      **LIBOR Rate.**      On the Effective Date, the definition of "LIBOR Rate" in Section 1.2 of the Loan Agreement shall be amended and restated to read as follows:

"LIBOR Rate" shall mean for any LIBOR Rate Loan for the then current Interest Period relating thereto, the interest rate per annum determined by Agent by dividing (the resulting quotient rounded upwards, if necessary, to the nearest 1/100th of 1% per annum) (a) the rate which appears on the Bloomberg Page BBAM1 (or on such other substitute Bloomberg page that displays rates at which U.S. dollar deposits are offered by leading banks in the London interbank deposit market), or the rate which is quoted by another source selected by Agent as an authorized information vendor for the purpose of displaying rates at which U.S. dollar deposits are offered by leading banks in the London interbank deposit market (a "LIBOR Alternate Source"), at approximately 11:00 a.m., London time, two (2) Business Days prior to the commencement of such Interest Period as the London interbank offered rate for U.S. Dollars for an amount comparable to such LIBOR Rate Loan and having a borrowing date and a maturity comparable to such Interest Period (or if there shall at any time, for any reason, no longer exist a Bloomberg Page BBAM1 (or any substitute page) or any LIBOR Alternate Source, a comparable replacement rate determined by Agent at such time (which determination shall be conclusive absent manifest error)), by (b) a number equal to 1.00 minus the Reserve Percentage; provided, however, that if the LIBOR Rate determined as provided above would be less than zero, such rate shall be deemed to be zero for purposes of this Agreement.

The LIBOR Rate shall be adjusted with respect to any LIBOR Rate Loan that is outstanding on the effective date of any change in the Reserve Percentage as of such effective date. Agent shall give reasonably prompt notice to the Borrowing Agent of the LIBOR Rate as determined or adjusted in accordance herewith, which determination shall be conclusive absent manifest error.

(b)      **LIBOR Rate Loans.** On the Effective Date, Section 3.7(c) of the Loan Agreement shall be amended and restated to read as follows:

(c)      (1) impose on Agent, Swing Loan Lender, any Lender or Issuer or the London interbank LIBOR market any other condition, loss or expense (other than Taxes) affecting this Agreement or any Other Document or any Advance made by any Lender, or any Letter of Credit or participation therein, or (2) the LIBOR Rate will not adequately and fairly reflect the cost to such Lender of the establishment or maintenance of any LIBOR Rate Loan;

(c) **Capital Expenditures.** On the Effective Date, Section 7.6 of the Loan Agreement shall be amended and restated to read as follows:

7.6. **Capital Expenditures.** Contract for, purchase or make any expenditure or commitments for Capital Expenditures (i) for the fiscal year beginning July 1, 2014 and ending June 30, 2015 in an aggregate amount for all Borrowers in excess of \$10,000,000 (including the aggregate amount of Capital Expenditures Indebtedness), or (ii) in any fiscal year thereafter in an aggregate amount for all Borrowers in excess of \$5,000,000.

**Section 3 Acknowledgment Regarding Permitted Holdings Distributions.**

Borrowers acknowledge and agree that, as of the date first written above, Borrowers have repaid \$2,500,000 of the \$11,500,000 referenced in clause (1) of the definition of "Permitted Holdings Distributions" and therefore the remaining maximum amount that may be distributed by Borrowers to Holdings pursuant to such clause (1) is \$ 9,000,000. In the event that Borrowers effect such distribution in the form of a dividend, any such dividend shall be subject to the limitations set forth in the definition of "Permitted Holdings Distributions" and, pursuant to the definition of "Fixed Charge Coverage Ratio", shall not be included within the computation of the Fixed Charge Coverage Ratio.

**Section 4 Representations, Warranties and Covenants of Borrowers**

Each Borrower hereby represents and warrants to and covenants with the Agent and the Lenders that:

(a) such Borrower reaffirms all representations and warranties made to Agent and Lenders under the Loan Agreement and all of the Other Documents (as described and defined in the Loan Agreement) and confirms that after giving effect to this Amendment all are true and correct in all material respects as of the date hereof (except to the extent any such representations and warranties specifically relate to a specific date, in which case such representations and warranties were true and correct in all material respects on and as of such other specific date);

(b) from and after the Effective Date, such Borrower reaffirms all of the covenants contained in the Loan Agreement (as amended hereby) (including without limitation, all covenants to pay fees, costs and expenses contained therein), covenants to abide thereby until all Advances, Obligations and other liabilities of Borrowers to Agent and Lenders under the Loan Agreement of whatever nature and whenever incurred, are satisfied and/or released by Agent and Lenders (other than contingent indemnification obligations which survive termination of the Loan Agreement);

(c) no Default or Event of Default has occurred and is continuing under the Loan Agreement or the Other Documents (as described and defined in the Loan Agreement);

(d) such Borrower has the authority and legal right to execute, deliver and carry out the terms of this Amendment, that such actions were duly authorized by all necessary limited liability company or corporate action, as applicable, and that the officer executing this Amendment on its behalf was similarly authorized and empowered, and that this Amendment does not contravene any provisions of its certificate of incorporation or formation, operating agreement, bylaws, or other formation documents, as applicable, or of any material contract or agreement to which it is a party or by which any of its properties are bound; and

(e) this Amendment and all assignments, instruments, documents, and agreements executed and delivered in connection herewith, are valid, binding and enforceable in accordance with their respective terms, except as such enforceability may be limited by any applicable bankruptcy, insolvency, moratorium or similar laws affecting creditors' rights generally.

**Section 5**            **Conditions Precedent/Effectiveness Conditions**

This Amendment shall be effective upon the date of satisfaction of all of the following conditions precedent (the "**Effective Date**"):

- (a) Agent shall have received this Amendment fully executed by the Borrowers;
- (b) Agent shall have received an incumbency certificate evidencing the authority of Mohammed Khaishgi to execute this Amendment as Interim Chief Executive Officer of IBEX; and
- (c) No Default or Event of Default shall have occurred and be continuing under the Loan Agreement.

**Section 6**            **Further Assurances**

Each Borrower hereby agrees to take all such actions and to execute and/or deliver to Agent and Lenders all such documents, assignments, financing statements and other documents, as Agent and Lenders may reasonably require from time to time, to effectuate and implement the purposes of this Amendment.

**Section 7**            **Payment of Expenses**

Borrowers shall pay or reimburse Agent and Lenders for their reasonable fees of external counsel and other expenses in connection with the preparation, negotiation and execution of this Amendment and the documents provided for herein or related hereto.

**Section 8**            **Reaffirmation of Loan Agreement**

Except as modified by the terms hereof, all of the terms and conditions of the Loan Agreement, as amended, are hereby reaffirmed and shall continue in full force and effect as therein written.

**Section 9**            **Confirmation of Indebtedness**

Borrowers confirm and acknowledge that as of the close of business on February 20, 2015, Borrowers were indebted to Lenders for the (a) Advances under the Loan Agreement without any deduction, defense, setoff, claim or counterclaim, of any nature, in the aggregate principal amount of \$18,515,384.02 due on account of Revolving Advances and \$226,020.00 on account of undrawn Letters of Credit, plus in each case all fees, costs and expenses incurred to date in connection with the Loan Agreement.

**Section 10**          **Miscellaneous**

- (a) Third Party Rights. No rights are intended to be created hereunder for the benefit of any third party donee, creditor, or incidental beneficiary.
- (b) Headings. The headings of any paragraph of this Amendment are for convenience only and shall not be used to interpret any provision hereof.

(c) Modifications. No modification hereof or any agreement referred to herein shall be binding or enforceable unless in writing and signed on behalf of the party against whom enforcement is sought.

(d) Governing Law. The terms and conditions of this Amendment shall, in accordance with Section 5-1401 of the General Obligations Law of the State of New York, be governed by the laws of the State of New York without regard to any conflicts of laws principles.

(e) Counterparts. This Amendment may be executed in any number of and by different parties hereto on separate counterparts, all of which, when so executed, shall be deemed an original, but all such counterparts shall constitute one and the same agreement. Any signature delivered by a party by facsimile or pdf transmission shall be deemed to be an original signature hereto.

*[signature page follows]*



IN WITNESS WHEREOF, the parties have caused this Amendment to be executed and delivered by their duly authorized officers as of the date first above written.

**BORROWERS:**

**TRG CUSTOMER SOLUTIONS, INC. d/b/a IBEX Global Solutions**

By: /s/ Mohammed Khaishgi  
Name: Mohammed Khaishgi  
Title: Interim Chief Executive Officer

**PNC BANK, NATIONAL ASSOCIATION**  
as Lender and as Agent

By: /s/ Jacqueline MacKenzie  
Jacqueline MacKenzie, Vice President

[SIGNATURE PAGE TO THIRD AMENDMENT TO REVOLVING CREDIT AND SECURITY AGREEMENT]

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IN WITNESS WHEREOF, the parties have caused this Amendment to be executed and delivered by their duly authorized officers as of the date first above written.

**BORROWERS:**

**TRG CUSTOMER SOLUTIONS, INC. d/b/a IBEX Global Solutions**

By: /s/ Mohammed Khaishgi  
Name: Mohammed Khaishgi  
Title: Interim Chief Executive Officer

**PNC BANK, NATIONAL ASSOCIATION**  
as Lender and as Agent

By: /s/ Jacqueline MacKenzie  
Jacqueline MacKenzie, Vice President

[SIGNATURE PAGE TO THIRD AMENDMENT TO REVOLVING CREDIT AND SECURITY AGREEMENT]

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**FOURTH AMENDMENT TO  
REVOLVING CREDIT AND SECURITY AGREEMENT**

This Fourth Amendment to Revolving Credit and Security Agreement (this "Amendment") is made as of this 19<sup>th</sup> day of June, 2015, by and among TRG CUSTOMER SOLUTIONS, INC. d/b/a IBEX Global Solutions ("IBEX"), together with any Person joined to the Loan Agreement as a borrower, collectively the "Borrowers", the financial institutions which are now or which hereafter become party to the Loan Agreement as lenders (collectively, the "Lenders"), and PNC BANK, NATIONAL ASSOCIATION ("PNC"), as agent for Lenders (PNC, in such capacity, the "Agent") and as a Lender.

**BACKGROUND**

A. On November 8, 2013, Borrowers, Lenders and PNC as a Lender and as Agent entered into that certain Revolving Credit and Security Agreement (as same has been or may be amended, restated, modified, renewed, extended, replaced or substituted from time to time, the "Loan Agreement") to reflect certain financing arrangements between the parties thereto. All capitalized terms not otherwise defined herein shall have the meaning ascribed thereto in the Loan Agreement.

B. Borrowers have informed Agent that Borrowers wish to enter into an arrangement with Citibank, N.A. ("Citibank") pursuant to which Citibank shall purchase Receivables from Borrowers for which AT&T Services Inc. and any of its various subsidiaries and affiliates (collectively, "AT&T") is or are the Customer(s) (such Receivables, the "AT&T Receivables"). In connection with the purchase and sale of the AT&T Receivables, Agent, Borrowers, and Citibank shall enter into a Lien Release and Acknowledgment Agreement (the "AT&T/Citibank Agreement").

C. Borrowers have requested that Agent and Lenders (i) consent to the sale of the AT&T Receivables to Citibank, and (ii) modify certain definitions, terms and conditions in the Loan Agreement, and Agent and Lenders are willing to do so on the terms and conditions hereafter set forth.

NOW THEREFORE, with the foregoing background hereinafter deemed incorporated by reference herein and made part hereof, the parties hereto, intending to be legally bound, promise and agree as follows:

**Section 1**      **Consent**

(a) Notwithstanding anything to the contrary in the Loan Agreement, Agent and Lenders hereby agree that upon the Effective Date, Borrowers may sell AT&T Receivables to Citibank. This consent shall not be deemed a consent to the breach by Borrowers of other covenants or agreements contained in the Loan Agreement or Other Documents with respect to any other transaction or matter. Borrowers agree that the consent set forth in the preceding sentences shall be limited to the precise meaning of the words as written therein and shall not be deemed (i) to be a consent to, or any waiver or modification of, any other term or condition of the Loan Agreement or any Other Document, or (ii) to prejudice any right or remedy that Agent or Lenders may now have or may in the future have under or in connection with the Loan Agreement or any Other Document other than with respect to the matters for which the consent in the preceding paragraphs has been provided.

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(b) Other than as described in this Amendment, the consent described in the preceding paragraph shall not alter, affect, release or prejudice in any way any of the Obligations under the Loan Agreement. This consent shall not be construed as establishing a course of conduct on the part of Agent or Lenders upon which the Borrowers may rely at any time in the future. Borrowers expressly waive any right to assert any claim to such effect at any time.

**Section 2** Amendments to Loan Agreement. On the Effective Date:

(a) New Definitions. The following defined terms shall be added to Section 1.2 of the Loan Agreement in the proper alphabetical order:

“AT&T” shall mean AT&T Services Inc. and any of its various subsidiaries and affiliates.

“AT&T/Citibank Agreement” shall mean that certain Lien Release and Acknowledgment Agreement by and among Agent, IBEX, and Citibank.

“AT&T Receivables” shall mean Receivables of any Borrower for which AT&T is the Customer.

“Citibank” shall mean Citibank, N.A. and its branches and subsidiaries and affiliates.

“Factoring Agreement” shall mean that certain Supplier Agreement by and between IBEX and Citibank pursuant to which Citibank shall purchase AT&T Receivables from Borrowers.

(b) Eligible Receivables. Clause (n) of the definition of “Eligible Receivables” in Section 1.2 of the Loan Agreement shall be amended and restated to read as follows:

(n) (1) such Receivable is not payable to a Borrower or (2) such Receivable is sold pursuant to the Factoring Agreement and the proceeds thereof are remitted to a Depository Account;

(c) Modified Definition. The following defined term in Section 1.2 of the Loan Agreement shall be amended and restated to read as follows:

“Permitted Encumbrances” shall mean: (a) Liens in favor of Agent for the benefit of Agent and Lenders, including without limitation, Liens securing Hedge Liabilities and Cash Management Products and Services; (b) Liens for taxes, assessments or other governmental charges not delinquent or being Properly Contested; (c) deposits or pledges to secure obligations under worker’s compensation, social security or similar laws, or under unemployment insurance; (d) deposits or pledges to secure bids, tenders, contracts (other than contracts for the payment of money), leases, statutory obligations, surety and appeal bonds and other obligations of like nature arising in the Ordinary Course of Business; (e) Liens arising by virtue of the rendition, entry or issuance against any Borrower or any Subsidiary, or any property of any Borrower or any Subsidiary, of any judgment, writ, order, or decree to the extent the rendition, entry, issuance or continued existence of such judgment, writ, order or decree (or any event or circumstance relating thereto) has not resulted in the occurrence of an Event of Default under Section 10.6 hereof; (f) carriers’, repairmens’, mechanics’, workers’, materialmen’s or other like Liens arising in the Ordinary Course of Business with respect to obligations which are not due or which are being Properly Contested; (g) Liens placed upon fixed assets hereafter acquired to secure a portion of the purchase price thereof, provided that (I) any such lien shall not encumber any other property of any Borrower and (II) the aggregate amount of Indebtedness secured by such Liens incurred as a result of such purchases during any fiscal year shall not exceed the amount permitted in Section 7.6 hereof; (h) Liens on AT&T Receivables sold pursuant to the Factoring Agreement provided that such Liens are subject to the AT&T/Citibank Agreement; and (i) Liens disclosed on Schedule 1.2; provided that such Liens shall secure only those obligations which they secure on the Closing Date and shall not subsequently apply to any other property or assets of any Borrower other than the property and assets to which they apply as of the Closing Date.

(d) **Sublimits for Revolving Advances.** Section 2.1(b) of the Loan Agreement shall be amended and restated to read as follows:

(b) **Sublimits for Revolving Advances.** The amount of Revolving Advances made to Borrowers against (i) Eligible Pre-Approved Foreign Receivables shall not exceed in the aggregate, at any time outstanding, ten percent (10%) of the Formula Amount, and (ii) Eligible Unbilled Receivables shall not exceed in the aggregate, at any time outstanding, seventy percent (70%) of the Formula Amount.

(e) **Sale of Assets.** Section 7.1(b) of the Loan Agreement shall be amended and restated to read as follows:

(b) Sell, lease, transfer or otherwise dispose of any of its properties or assets, except (i) the sale of property or assets in the Ordinary Course of Business, (ii) the disposition or transfer of obsolete or worn-out equipment, or equipment that has become no longer useful in such Borrower's business, in the Ordinary Course of Business, (iii) the sale of AT&T Receivables pursuant to the Factoring Agreement; provided, however, that Borrowers shall not sell any AT&T Receivables unless all proceeds of any such sales shall be deposited into a Depository Account subject to the AT&T/Citibank Agreement, and (iv) any other sales or dispositions expressly permitted by this Agreement in each case not to exceed assets with a fair market value of more than \$250,000 in any fiscal year and to the extent that (x) the proceeds of any such disposition are used to acquire replacement equipment which is subject to Agent's first priority security interest or (y) the proceeds of which are remitted to Agent to be applied pursuant to Section 2.20.

(f) **Projected Operating Budget.** Section 9.12 of the Loan Agreement shall be amended by deleting the phrase "no later than thirty (30) days prior to the beginning of each Borrower's fiscal years" and replacing it with the phrase "no later than thirty (30) days after the beginning of each Borrower's fiscal years".

**Section 3**      **Representations, Warranties and Covenants of Borrowers**

Each Borrower hereby represents and warrants to and covenants with the Agent and the Lenders that:

- (a) such Borrower reaffirms all representations and warranties made to Agent and Lenders under the Loan Agreement and all of the Other Documents (as described and defined in the Loan Agreement) and confirms that after giving effect to this Amendment all are true and correct in all material respects as of the date hereof (except to the extent any such representations and warranties specifically relate to a specific date, in which case such representations and warranties were true and correct in all material respects on and as of such other specific date);
- (b) from and after the Effective Date, such Borrower reaffirms all of the covenants contained in the Loan Agreement (as amended hereby) (including without limitation, all covenants to pay fees, costs and expenses contained therein), covenants to abide thereby until all Advances, Obligations and other liabilities of Borrowers to Agent and Lenders under the Loan Agreement of whatever nature and whenever incurred, are satisfied and/or released by Agent and Lenders (other than contingent indemnification obligations which survive termination of the Loan Agreement);
- (c) no Default or Event of Default has occurred and is continuing under the Loan Agreement or the Other Documents (as described and defined in the Loan Agreement);
- (d) such Borrower has the authority and legal right to execute, deliver and carry out the terms of this Amendment, that such actions were duly authorized by all necessary limited liability company or corporate action, as applicable, and that the officer executing this Amendment on its behalf was similarly authorized and empowered, and that this Amendment does not contravene any provisions of its certificate of incorporation or formation, operating agreement, bylaws, or other formation documents, as applicable, or of any material contract or agreement to which it is a party or by which any of its properties are bound; and
- (e) this Amendment and all assignments, instruments, documents, and agreements executed and delivered in connection herewith, are valid, binding and enforceable in accordance with their respective terms, except as such enforceability may be limited by any applicable bankruptcy, insolvency, moratorium or similar laws affecting creditors' rights generally.

**Section 4**      **Conditions Precedent/Effectiveness Conditions**

This Amendment shall be effective upon the date of satisfaction of all of the following conditions precedent (the "Effective Date"):

- (a) Agent shall have received this Amendment fully executed by the Borrowers;
- (b) Agent shall have received a fully executed incumbency certificate evidencing the authority of Robert T. Dechant to execute this Amendment and including the specimen signature of Robert T. Dechant;
- (c) Agent shall have received fully executed copies of the Factoring Agreement and the AT&T/Citibank Agreement, each of which in form and substance satisfactory to Agent; and
- (d) No Default or Event of Default shall have occurred and be continuing under the Loan Agreement.

**Section 5** **Further Assurances**

Each Borrower hereby agrees to take all such actions and to execute and/or deliver to Agent and Lenders all such documents, assignments, financing statements and other documents, as Agent and Lenders may reasonably require from time to time, to effectuate and implement the purposes of this Amendment.

**Section 6** **Payment of Expenses**

Borrowers shall pay or reimburse Agent and Lenders for their reasonable fees of external counsel and other expenses in connection with the preparation, negotiation and execution of this Amendment and the documents provided for herein or related hereto.

**Section 7** **Reaffirmation of Loan Agreement**

Except as modified by the terms hereof, all of the terms and conditions of the Loan Agreement, as amended, are hereby reaffirmed and shall continue in full force and effect as therein written.

**Section 8** **Miscellaneous**

(a) Third Party Rights. No rights are intended to be created hereunder for the benefit of any third party donee, creditor, or incidental beneficiary.

(b) Headings. The headings of any paragraph of this Amendment are for convenience only and shall not be used to interpret any provision hereof.

(c) Modifications. No modification hereof or any agreement referred to herein shall be binding or enforceable unless in writing and signed on behalf of the party against whom enforcement is sought.

(d) Governing Law. The terms and conditions of this Amendment shall, in accordance with Section 5-1401 of the General Obligations Law of the State of New York, be governed by the laws of the State of New York without regard to any conflicts of laws principles.

(e) Counterparts. This Amendment may be executed in any number of and by different parties hereto on separate counterparts, all of which, when so executed, shall be deemed an original, but all such counterparts shall constitute one and the same agreement. Any signature delivered by a party by facsimile or pdf transmission shall be deemed to be an original signature hereto.

*[signature page follows]*

IN WITNESS WHEREOF, the parties have caused this Amendment to be executed and delivered by their duly authorized officers as of the date first above written.

**BORROWERS:**

**TRG CUSTOMER SOLUTIONS, INC. d/b/a IBEX Global Solutions**

By: /s/ Robert T. Dechant

Name: Robert T. Dechant

Title: Chief Executive Officer

**PNC BANK, NATIONAL ASSOCIATION**

as Lender and as Agent

By: /s/ Jacqueline MacKenzie

Jacqueline MacKenzie, Vice President

[SIGNATURE PAGE TO FOURTH AMENDMENT TO REVOLVING CREDIT AND SECURITY AGREEMENT]

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IN WITNESS WHEREOF, the parties have caused this Amendment to be executed and delivered by their duly authorized officers as of the date first above written.

**BORROWERS:**

**TRG CUSTOMER SOLUTIONS, INC. d/b/a IBEX Global Solutions**

By: /s/ Robert T. Dechant

Name: Robert T. Dechant

Title: Chief Executive Officer

**PNC BANK, NATIONAL ASSOCIATION**

as Lender and as Agent

By: /s/ Jacqueline MacKenzie

Jacqueline MacKenzie, Vice President

[SIGNATURE PAGE TO FOURTH AMENDMENT TO REVOLVING CREDIT AND SECURITY AGREEMENT]

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**FIFTH AMENDMENT TO  
REVOLVING CREDIT AND SECURITY AGREEMENT**

This Fifth Amendment to Revolving Credit and Security Agreement (this "Amendment") is made as of this 26<sup>th</sup> day of June, 2015, by and among TRG CUSTOMER SOLUTIONS, INC. d/b/a IBEX Global Solutions ("IBEX", together with any Person joined to the Loan Agreement as a borrower, collectively the "Borrowers"), the financial institutions which are now or which hereafter become party to the Loan Agreement as lenders (collectively, the "Lenders"), and PNC BANK, NATIONAL ASSOCIATION ("PNC"), as agent for Lenders (PNC, in such capacity, the "Agent") and as a Lender.

**BACKGROUND**

A. On November 8, 2013, Borrowers, Lenders and PNC as a Lender and as Agent entered into that certain Revolving Credit and Security Agreement (as same has been or may be amended, restated, modified, renewed, extended, replaced or substituted from time to time, the "Loan Agreement") to reflect certain financing arrangements between the parties thereto. All capitalized terms not otherwise defined herein shall have the meaning ascribed thereto in the Loan Agreement.

B. Borrowers have requested that Agent and Lenders modify certain definitions, terms and conditions in the Loan Agreement, and Agent and Lenders are willing to do so on the terms and conditions hereafter set forth.

NOW THEREFORE, with the foregoing background hereinafter deemed incorporated by reference herein and made part hereof, the parties hereto, intending to be legally bound, promise and agree as follows:

**Section 1** Amendments to Loan Agreement. On the Effective Date:

(a) New Definitions. The following defined terms shall be added to Section 1.2 of the Loan Agreement in the proper alphabetical order:

"Equipment Borrowing Period" shall have the meaning set forth in Section 2.3(b) hereof.

"Equipment Loan Commitment" shall mean, as to any Lender, the obligation of such Lender (if applicable), which obligation is subject to all the terms and conditions of this Agreement and the Other Documents, to make Equipment Loans in an aggregate principal amount not to exceed the Equipment Loan Commitment Amount (if any) of such Lender.

"Equipment Loan Commitment Amount" shall mean, as to any Lender, the equipment loan commitment amount (if any) set forth below such Lender's name on the signature page hereof (or, in the case of any Lender that became party to this Agreement after the Closing Date pursuant to Section 16.3(c) or (d) hereof, the equipment loan commitment amount (if any) of such Lender as set forth in the applicable Commitment Transfer Supplement), as the same may be adjusted upon any assignment by or to such Lender pursuant to Section 16.3(c) or (d) hereof.

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"Equipment Loan Commitment Percentage" shall mean, as to any Lender, the Equipment Loan Commitment Percentage (if any) set forth below such Lender's name on the signature page hereof (or, in the case of any Lender that became party to this Agreement after the Closing Date pursuant to Section 16.3(c) or (d) hereof, the Equipment Loan Commitment Percentage (if any) of such Lender as set forth in the applicable Commitment Transfer Supplement), as the same may be adjusted upon any assignment by or to such Lender pursuant to Section 16.3(c) or (d) hereof.

"Equipment Loans" shall have the meaning set forth in Section 2.3(a) hereof.

"Equipment Loan Rate" shall mean (a) with respect to Equipment Loans that are Domestic Rate Loans, an interest rate per annum equal to the sum of the Applicable Margin plus the Alternate Base Rate and (b) with respect to Equipment Loans that are LIBOR Rate Loans, an interest rate per annum equal to the sum of the Applicable Margin plus the LIBOR Rate.

"Equipment Note" shall mean, collectively, the promissory notes referred to in Section 2.3(b) hereof.

"Fifth Amendment Date" shall mean June 26, 2015.

"Maximum Equipment Loan Amount" shall mean \$10,000,000 less repayments of the Equipment Loans.

"Springing Covenant Event" shall mean, the occurrence of (i) Borrowers' Average Undrawn Availability being less than twelve and one half of one percent (12.5%) of the Maximum Revolving Advance Amount or (ii) Borrowers' Average Undrawn Availability being less than \$5,000,000, in each case at any time.

"Springing Dominion Event" shall mean, the occurrence of (i) Borrowers' Undrawn Availability being less than twelve and one half of one percent (12.5%) of the Maximum Revolving Advance Amount or (ii) Borrowers' Undrawn Availability being less than \$5,000,000, in each case at any time.

"Springing Termination Event (Cash Dominion)" shall mean the occurrence of (i) Borrowers' Undrawn Availability being equal to or greater than twelve and one half of one percent (12.5%) of the Maximum Revolving Advance Amount or (ii) Borrowers' Undrawn Availability being equal to or greater than \$5,000,000, in each case for thirty (30) consecutive days.

"Springing Termination Event (Covenants)" shall mean, the occurrence of (i) Borrowers' Average Undrawn Availability being equal to or greater than twelve and one half of one percent (12.5%) of the Maximum Revolving Advance Amount or (ii) Borrowers' Average Undrawn Availability being equal to or greater than \$5,000,000, in each case for thirty (30) consecutive days.

(b) **Definitions.** The following defined terms contained in Section 1.2 of the Loan Agreement shall be amended and restated in their entirety as follows:

"Advances" shall mean and include the Revolving Advances, Equipment Loans, Letters of Credit, and the Swing Loans.

"Applicable Margin" shall mean (a) an amount equal to negative one half of one percent (-0.50%) for (i) Revolving Advances consisting of Domestic Rate Loans, and (ii) Swing Loans, (b) an amount equal to one and three quarters of one percent (1.75%) for Revolving Advances consisting of LIBOR Rate Loans, (c) an amount equal to one half of one percent (0.50%) for Equipment Loans consisting of Domestic Rate Loans, and (d) an amount equal to three and one quarter of one percent (3.25%) for Equipment Loans consisting of LIBOR Rate Loans.

"Capital Expenditures Indebtedness" shall mean an amount not to exceed (i) \$10,000,000 during Borrowers' 2015 fiscal year to finance Capital Expenditures, (ii) \$10,000,000 during Borrowers' 2016 fiscal year to finance Capital Expenditures, and (iii) \$5,000,000 during each fiscal year of Borrowers thereafter to finance Capital Expenditures.

"Debt Payments" shall mean for any period, in each case, all cash actually expended by any Borrower to make: (a) interest payments on any Advances hereunder, plus (b) scheduled principal payments on the Equipment Loans plus (c) payments for all fees, commissions and charges set forth herein, plus (d) payments on Capitalized Lease Obligations, plus (e) payments with respect to any other Indebtedness for borrowed money.

"Eligible Receivables" shall mean and include, each Receivable of a Borrower arising in the Ordinary Course of Business and which Agent, in its Permitted Discretion, shall deem to be an Eligible Receivable, based on such considerations as Agent may from time to time deem appropriate. A Receivable shall not be deemed eligible unless such Receivable is subject to Agent's first priority perfected security interest and no other Lien (other than Permitted Encumbrances), and is evidenced by an invoice or other documentary evidence satisfactory to Agent. In addition, no Receivable shall be an Eligible Receivable if:

- (a) it arises out of a sale made by any Borrower to an Affiliate of any Borrower or to a Person controlled by an Affiliate of any Borrower;
- (b) it is due or unpaid more than ninety (90) days after the original invoice date or sixty (60) days after the original due date;
- (c) twenty-five percent (25%) or more of the Receivables from such Customer are not deemed Eligible Receivables under subclause (b) hereof;
- (d) any material covenant, representation or warranty contained in this Agreement with respect to such Receivable has been breached;
- (e) an Insolvency Event shall have occurred with respect to such Customer;
- (f) the sale is to a Customer, which Customer is outside the continental United States of America or a province of Canada that has not adopted the Personal Property Security Act of Canada, unless the sale is on letter of credit, guaranty or acceptance terms, in each case acceptable to Agent in its Permitted Discretion or such Receivable constitutes an Eligible Insured Foreign Receivable;
- (g) the sale to the Customer is on a bill-and-hold, guaranteed sale, sale-and-return, sale on approval, consignment or any other repurchase or return basis or is evidenced by chattel paper;
- (h) the Customer is the United States of America, any state or any department, agency or instrumentality of any of them, unless the applicable Borrower assigns its right to payment of such Receivable to Agent pursuant to the Assignment of Claims Act of 1940, as amended (31 U.S.C. Sub-Section 3727 et seq. and 41 U.S.C. Sub-Section 15 et seq.) or has otherwise complied with other applicable statutes or ordinances;
- (i) the goods giving rise to such Receivable have not been delivered to and accepted by the Customer or the services giving rise to such Receivable have not been performed by the applicable Borrower and accepted by the Customer or the Receivable otherwise does not represent a final sale;

(j) with respect to any Receivable due from any Customer other than (i) AT&T, (ii) Apple, (iii) DirecTV or (iv) Frontier, such Receivable, together with all other Receivables due from such Customer, exceeds 25% of all outstanding Receivables, unless such Receivable has been approved by Agent (which approval shall not be unreasonably withheld);

(k) the Receivable is subject to any offset, deduction, defense, dispute, credits or counterclaim (but such Receivable shall only be ineligible to the extent of such offset, deduction, defense or counterclaim), or the Receivable is contingent in any respect or for any reason;

(l) the applicable Borrower has made any agreement with any Customer for any deduction therefrom, except for discounts or allowances made in the Ordinary Course of Business, all of which discounts or allowances are reflected in the calculation of the face value of each respective invoice related thereto;

(m) any return, rejection or repossession of the merchandise has occurred or the rendition of services has been disputed;

(n) (1) such Receivable is not payable to a Borrower or (2) such Receivable is sold pursuant to the Factoring Agreement and the proceeds thereof are remitted to a Depository Account;

(o) such Receivable does not arise out of a contract between a Borrower and a Customer, or a contract under which such Borrower has rights as an assignee, unless such Receivable shall be permitted by Agent; or

(p) such Receivable is not otherwise satisfactory to Agent as determined in the exercise of its Permitted Discretion.

"Maximum Loan Amount" shall mean \$50,000,000.

"Maximum Revolving Advance Amount" shall mean \$40,000,000 plus any increases in accordance with Section 2.24.

"Note" shall mean collectively, the Revolving Credit Note, the Equipment Note, and the Swing Loan Note.

"Permitted Holdings Distributions" shall mean a distribution to Holdings from time to time of an amount not to exceed in the aggregate (1) funds in an amount equal to \$ 6,500,000 provided to a Borrower by Holdings on or prior to the Closing Date, and (2) funds provided after the Closing Date to a Borrower by Holdings as working capital or as a capital contribution and not on account of any services provided by any Borrower, upon satisfaction of the following conditions: (a) Borrowers shall have complied with the covenant in Section 6.15(c) and (b) both before and after giving pro-forma effect to any such distribution (i) no Default or Event of Default shall exist or will exist and (ii) no Springing Covenant Event shall have occurred or would exist. For purposes of calculating the amount that may be distributed at any time hereunder, all distributions will be deemed distributed on account of the amounts permitted under subsection (1) above until such time that the full amount of the funds provided to Borrowers by Holdings prior to the Closing Date has been returned and thereafter such amounts shall be deemed distributed on account of subsection (2) above.

"Permitted Royalty Payments" shall mean the payment of Royalty Payments by a Borrower on a quarterly basis upon satisfaction of the following conditions: (a) both before and after giving pro-forma effect to any such payments (i) no Default or Event of Default shall exist and (ii) no Springing Covenant Event shall exist; and (b) the aggregate amount of such payments shall not to exceed four percent (4%) of the Borrowers' gross revenue (determined in accordance with GAAP) for any fiscal period.

"Revolving Advances" shall mean Advances other than Letters of Credit, Equipment Loans, and the Swing Loans.

"Undrawn Availability" at a particular date shall mean an amount equal to (a) the sum of all cash in Depository Accounts plus the lesser of (i) the Formula Amount or (ii) the Maximum Revolving Advance Amount minus the Maximum Undrawn Amount of all outstanding Letters of Credit, minus (b) the sum of (i) the outstanding amount of Advances (other than the Equipment Loans) plus (ii) fees and expenses incurred in connection with the Transactions for which Borrowers are liable but which have not been paid or charged to Borrowers' Account.

(c) Revolving Advances. Section 2.1 of the Loan Agreement shall be amended and restated in its entirety as follows:

2.1 Revolving Advances.

(a) Amount of Revolving Advances. Subject to the terms and conditions set forth in this Agreement specifically including Sections 2.1(b) and 2.1(c), each Lender, severally and not jointly, will make Revolving Advances to Borrowers in aggregate amounts outstanding at any time equal to such Lender's Revolving Commitment Percentage of the lesser of (x) the Maximum Revolving Advance Amount, less the outstanding amount of Swing Loans, less the aggregate Maximum Undrawn Amount of all outstanding Letters of Credit or (y) an amount equal to the sum of:

- (i) up to 90% (the "Receivables Advance Rate") of Eligible Receivables, plus
- (ii) up to 90% (the "Unbilled Receivables Advance Rate" and, together with the Receivables Advance Rate, collectively the "Advance Rates") of Eligible Unbilled Receivables, minus
- (iii) the aggregate Maximum Undrawn Amount of all outstanding Letters of Credit, minus
- (iv) such reserves as Agent may in its Permitted Discretion deem necessary from time to time.

The amount derived from the sum of (x) Sections 2.1(a)(y)(i) and 2.1(a)(y)(ii) minus (y) the sum of Sections 2.1(a)(y)(iii) and 2.1(a)(y)(iv) at any time and from time to time shall be referred to as the "Formula Amount". The Revolving Advances shall be evidenced by one or more secured promissory notes (collectively, the "Revolving Credit Note") substantially in the form attached hereto as Exhibit 2.1(a). Notwithstanding anything to the contrary contained in the foregoing or otherwise in this Agreement, the outstanding aggregate principal amount of Swing Loans and the Revolving Advances at any one time outstanding shall not exceed an amount equal to the lesser of (i) the Maximum Revolving Advance Amount less the Maximum Undrawn Amount of all outstanding Letters of Credit or (ii) the Formula Amount.

(b) Sublimit for Revolving Advances. The aggregate amount of Revolving Advances made to Borrowers against Eligible Pre-Approved Foreign Receivable or Receivables shall not exceed in the aggregate, at any time outstanding, ten percent (10%) of the Formula Amount.

(c) Discretionary Rights. The Advance Rates may be increased or decreased by Agent at any time and from time to time upon five days notice to Borrowing Agent in the exercise of its Permitted Discretion based on the results of field examinations, audits or other collateral evaluations conducted from time to time. Each Borrower consents to any such increases or decreases and acknowledges that decreasing the Advance Rates or increasing or imposing reserves may limit or restrict Advances requested by Borrowing Agent. The rights of Agent under this subsection are subject to the provisions of Section 16.2(b).



(d) **Procedures for Requesting Revolving Advances.** Section 2.2(a) of the Loan Agreement shall be amended and restated in its entirety as follows:

(a) Borrowing Agent on behalf of any Borrower may notify Agent prior to 1:00 p.m. on a Business Day of a Borrower's request to incur, on that day, a Revolving Advance hereunder. Subject to the satisfaction of the conditions set forth in Section 8.3 hereof, in the event any Borrower desires an Equipment Loan, Borrowing Agent shall give Agent at least three (3) Business Days' prior written notice. Should any amount required to be paid as interest hereunder, or as fees or other charges under this Agreement or any other agreement with Agent or Lenders, or with respect to any other Obligation under this Agreement, become due, same shall be deemed a request for a Revolving Advance maintained as a Domestic Rate Loan as of the date such payment is due, in the amount required to pay in full such interest, fee, charge or Obligation, and such request shall be irrevocable.

(e) **Equipment Loans.** Section 2.3 of the Loan Agreement shall be amended and restated in its entirety as follows:

2.3 **Equipment Loans.**

(a) Subject to the terms and conditions of this Agreement, each Lender, severally and not jointly, shall, from time to time, make available Advances to one or more Borrowers (each, an "Equipment Loan" and collectively, the "Equipment Loans") in an amount equal to such Lender's Equipment Loan Commitment Percentage of the applicable Equipment Loan, to finance each applicable Borrower's purchase of Equipment consisting of computer hardware and software for use in each such Borrower's business; provided that the Equipment to be purchased shall be reasonably acceptable to Agent. All such Equipment Loans shall be in such amounts as are requested by Borrowing Agent, in an amount up to, at Agent's sole discretion, 90% of the net invoice cost (excluding taxes, shipping, delivery, handling, installation, overhead and other so called "soft" costs) of the Equipment then to be purchased by Borrowers and the total amount of all Equipment Loans advanced hereunder shall not exceed, in the aggregate, the Maximum Equipment Loan Amount. Once repaid Equipment Loans may not be reborrowed.

(b) Advances constituting Equipment Loans shall be made available to Borrowers commencing on the Fifth Amendment Date through and including May 1, 2019, and shall be available during the following borrowing periods: (i) from the Fifth Amendment Date through and including December 31, 2015, (ii) from January 1, 2016 through and including June 30, 2016, (iii) from July 1, 2016 through and including December 31, 2016, (iv) from January 1 through and including June 30 of each year thereafter, and (v) from July 1 through and including December 31 of each year thereafter (each, an "Equipment Borrowing Period"). At the end of each Equipment Borrowing Period, Agent shall calculate the aggregate principal balance of all then outstanding Equipment Loans, which amount shall be repayable in equal and consecutive monthly installments based upon a thirty six (36) month amortization schedule, each of which installments shall be due and payable on the first day of the next month after the end of the Equipment Borrowing Period, and the remaining installments of which shall be due and payable on the first day of each month thereafter, with the entire principal balance, along with all accrued and unpaid interest, fees, costs and expenses related thereto, payable on the last day of the Term, subject to acceleration upon the occurrence of an Event of Default under this Agreement or termination of this Agreement. Equipment Loans shall be evidenced by one or more secured promissory notes (collectively, the "Equipment Note") in substantially the form attached hereto as Exhibit 2.3. The Equipment Loans may consist of Domestic Rate Loans or LIBOR Rate Loans, or a combination thereof, as Borrowing Agent may request. In the event that Borrowers desire to obtain or extend a LIBOR Rate Loan or to convert a Domestic Rate Loan to a LIBOR Rate Loan, Borrowing Agent shall comply with the notification requirements set forth in Sections 2.2(b) and (d) and the provisions of Sections 2.2(b) through (g) shall apply.

(f) **Making and Settlement of Advances.** Section 2.6(a) of the Loan Agreement shall be amended and restated in its entirety as follows:

(a) Each borrowing of Revolving Advances shall be advanced according to the applicable Revolving Commitment Percentages of Lenders holding the Revolving Commitments (subject to any contrary terms of Section 2.22). Each borrowing of Swing Loans shall be advanced by Swing Loan Lender alone. Each borrowing of Equipment Loans shall be advanced according to the applicable Equipment Loan Commitment Percentages of Lenders holding the Equipment Loan Commitments.

(g) **Manner and Repayment of Advances.** Section 2.8(a) of the Loan Agreement shall be amended and restated in its entirety as follows:

(a) The Revolving Advances and Swing Loans shall be due and payable in full on the last day of the Term subject to earlier prepayment as herein provided. The Equipment Loans shall be due and payable as provided in Section 2.3 hereof and in the Equipment Note, subject to mandatory prepayments as herein provided. Notwithstanding the foregoing, all Advances shall be subject to earlier repayment upon (x) acceleration upon the occurrence of an Event of Default under this Agreement or (y) termination of this Agreement. Each payment (including each prepayment) by any Borrower on account of the principal of and interest on the Advances shall be applied (x) first, to the outstanding principal installments of the Equipment Loans in the inverse order of the maturities thereof, and (y) second, to the remaining Advances (subject to any contrary provisions of Section 2.22) pro rata according to the applicable Revolving Commitment Percentages of Lenders in such order as Agent may determine.

(h) **Mandatory Prepayments.** Sections 2.20(a) and 2.20(b) of the Loan Agreement shall be amended and restated in their entirety as follows:

(a) Subject to Section 7.1 hereof, when any Borrower sells or otherwise disposes of any Collateral other than Inventory in the Ordinary Course of Business, Borrowers shall repay the Advances in an amount equal to the net proceeds of such sale (i.e., gross proceeds less the reasonable direct costs of such sales or other dispositions), such repayments to be made promptly but in no event more than three (3) Business Days following receipt of such net proceeds, and until the date of payment, such proceeds shall be held in trust for Agent. The foregoing shall not be deemed to be implied consent to any such sale otherwise prohibited by the terms and conditions hereof. Such repayments shall be applied to the outstanding Advances (x) first, to the outstanding principal installments of the Equipment Loans in the inverse order of the maturities thereof, and (y) second, to the remaining Advances (including cash collateralization of all Obligations relating to any outstanding Letters of Credit in accordance with the provisions of Section 3.2(b), provided however that if no Default or Event of Default has occurred and is continuing, such repayments shall be applied to cash collateralize any Obligations related to outstanding Letters of Credit last) in such order as Agent may determine, subject to Borrowers' ability to reborrow Revolving Advances in accordance with the terms hereof.

(b) In the event of (x) any issuance or other incurrence of Indebtedness (other than Indebtedness described in the definition of Permitted Indebtedness) by Borrowers, (y) the issuance of any Equity Interests by any Borrower, or (z) the receipt by any Borrower of the proceeds of any grant, Borrowers shall, no later than three (3) Business Days after the receipt by Borrowers of (i) the cash proceeds from any such issuance or incurrence of Indebtedness, (ii) the net cash proceeds of any issuance of Equity Interests, or (iii) the cash proceeds of any such grants, as applicable, repay the Advances in an amount equal to (x) one hundred percent (100%) of such cash proceeds in the case of such incurrence or issuance of Indebtedness, (y) one hundred percent (100%) of such net cash proceeds in the case of an issuance of Equity Interests, and (z) one hundred percent (100%) of such cash proceeds in the case of receipt of proceeds of grants. Such repayments will be applied in the same manner as set forth in Section 2.20(a) hereof. The foregoing requirements regarding proceeds of grants shall not apply to the extent that they would require Borrowers to violate the terms of any grant agreement restricting the use of proceeds of such grant.

(i) Increase in Maximum Revolving Advance Amount. Article II of the Loan Agreement shall be amended by adding the following Section 2.24 to the end of such Article:

2.24 Increase in Maximum Revolving Advance Amount.

(a) Borrowers may, at any time and from time to time, request that the Maximum Revolving Advance Amount be increased by (1) one or more of the current Lenders increasing their Revolving Commitment Amount (any current Lender which elects to increase its Revolving Commitment Amount shall be referred to as an "Increasing Lender") or (2) one or more new lenders (each a "New Lender") joining this Agreement and providing a Revolving Commitment Amount hereunder, subject to the following terms and conditions:

- (i) No current Lender shall be obligated to increase its Revolving Commitment Amount and any increase in the Revolving Commitment Amount by any current Lender shall be in the sole discretion of such current Lender;
- (ii) Borrowers may not request the addition of a New Lender unless (and then only to the extent that) there is insufficient participation on behalf of the existing Lenders in the increased Revolving Commitments being requested by Borrowers;
- (iii) There shall exist no Event of Default or Default on the effective date of such increase after giving effect to such increase;
- (iv) After giving effect to such increase, the Maximum Revolving Advance Amount shall not exceed \$50,000,000;

(v) Borrowers may not request an increase in the Maximum Revolving Advance Amount under this Section 2.24 more than one (1) times during any fiscal year, and no single such increase in the Maximum Revolving Advance Amount shall be for an amount less than \$5,000,000;

(vi) Borrowers shall deliver to Agent on or before the effective date of such increase the following documents in form and substance satisfactory to Agent: (1) certifications of their corporate secretaries with attached resolutions certifying that the increase in the Revolving Commitment Amounts has been approved by such Borrowers, (2) certificate dated as of the effective date of such increase certifying that no Default or Event of Default shall have occurred and be continuing and certifying that the representations and warranties made by each Borrower herein and in the Other Documents are true and complete in all respects with the same force and effect as if made on and as of such date (except to the extent any such representation or warranty expressly relates only to any earlier and/or specified date), (3) such other agreements, instruments and information (including supplements or modifications to this Agreement and/or the Other Documents executed by Borrowers as Agent reasonably deems necessary in order to document the increase to the Maximum Revolving Advance Amount and to protect, preserve and continue the perfection and priority of the liens, security interests, rights and remedies of Agent and Lenders hereunder and under the Other Documents in light of such increase, and (4) an opinion of counsel in form and substance satisfactory to Agent which shall cover such matters related to such increase as Agent may reasonably require and each Borrower hereby authorizes and directs such counsel to deliver such opinions to Agent and Lenders;

(vii) Borrowers shall execute and deliver (1) to each Increasing Lender a replacement Note reflecting the new amount of such Increasing Lender's Revolving Commitment Amount after giving effect to the increase (and the prior Note issued to such Increasing Lender shall be deemed to be cancelled) and (2) to each New Lender a Note reflecting the amount of such New Lender's Revolving Commitment Amount;

(viii) Any New Lender shall be subject to the approval of Agent and Issuer;

(ix) Each Increasing Lender shall confirm its agreement to increase its Revolving Commitment Amount pursuant to an acknowledgement in a form acceptable to Agent, signed by it and each Borrower and delivered to Agent at least five (5) days before the effective date of such increase; and

(x) Each New Lender shall execute a lender joinder in substantially the form of Exhibit 2.24 pursuant to which such New Lender shall join and become a party to this Agreement and the Other Documents with a Revolving Commitment Amount as set forth in such lender joinder.

(b) On the effective date of such increase, (i) Borrowers shall repay all Revolving Advances then outstanding, subject to Borrowers' obligations under Sections 3.7, 3.9, or 3.10; provided that subject to the other conditions of this Agreement, the Borrowing Agent may request new Revolving Advances on such date and (ii) the Revolving Commitment Percentages of Lenders holding a Revolving Commitment (including each Increasing Lender and/or New Lender) shall be recalculated such that each such Lender's Revolving Commitment Percentage is equal to (x) the Revolving Commitment Amount of such Lender divided by (y) the aggregate of the Revolving Commitment Amounts of all Lenders. Each Lender shall participate in any new Revolving Advances made on or after such date in accordance with its Revolving Commitment Percentage after giving effect to the increase in the Maximum Revolving Advance Amount and recalculation of the Revolving Commitment Percentages contemplated by this Section 2.24.

(c) On the effective date of such increase, each Increasing Lender shall be deemed to have purchased an additional/increased participation in, and each New Lender will be deemed to have purchased a new participation in, each then outstanding Letter of Credit and each drawing thereunder and each then outstanding Swing Loan in an amount equal to such Lender's Revolving Commitment Percentage (as calculated pursuant to Section 2.24(b) above) of the Maximum Undrawn Amount of each such Letter of Credit (as in effect from time to time) and the amount of each drawing and of each such Swing Loan, respectively. As necessary to effectuate the foregoing, each existing Lender holding a Revolving Commitment Percentage that is not an Increasing Lender shall be deemed to have sold to each applicable Increasing Lender and/or New Lender, as necessary, a portion of such existing Lender's participations in such outstanding Letters of Credit and drawings and such outstanding Swing Loans such that, after giving effect to all such purchases and sales, each Lender holding a Revolving Commitment (including each Increasing Lender and/or New Lender) shall hold a participation in all Letters of Credit (and drawings thereunder) and all Swing Loans in accordance with their respective Revolving Commitment Percentages (as calculated pursuant to Section 2.24(b) above).

(d) On the effective date of such increase, Borrowers shall pay all reasonable cost and expenses incurred by Agent and by each Increasing Lender and New Lender in connection with the negotiations regarding, and the preparation, negotiation, execution and delivery of all agreements and instruments executed and delivered by any of Agent, Borrowers and/or Increasing Lenders and New Lenders in connection with, such increase (including all fees for any supplemental or additional public filings of any Other Documents necessary to protect, preserve and continue the perfection and priority of the liens, security interests, rights and remedies of Agent and Lenders hereunder and under the Other Documents in light of such increase).

(j) **Interest.** Section 3.1 of the Loan Agreement shall be amended and restated in its entirety as follows:

3.1 **Interest.** Interest on Advances shall be payable in arrears on the first day of each month with respect to Domestic Rate Loans and, with respect to LIBOR Rate Loans, at the end of each Interest Period, provided further that all accrued and unpaid interest shall be due and payable at the end of the Term. Interest charges shall be computed on the actual principal amount of Advances outstanding during the month at a rate per annum equal to (i) with respect to Revolving Advances, the applicable Revolving Interest Rate, (ii) with respect to Swing Loans, the Revolving Interest Rate for Domestic Rate Loans, and (iii) with respect to Equipment Loans, the applicable Equipment Loan Rate (as applicable, the "Contract Rate"). Except as expressly provided otherwise in this Agreement, any Obligations other than the Advances that are not paid when due shall accrue interest at the Revolving Interest Rate for Domestic Rate Loans, subject to the provision of the final sentence of this Section 3.1 regarding the Default Rate. Whenever, subsequent to the date of this Agreement, the Alternate Base Rate is increased or decreased, the applicable Contract Rate shall be similarly changed without notice or demand of any kind by an amount equal to the amount of such change in the Alternate Base Rate during the time such change or changes remain in effect. The LIBOR Rate shall be adjusted with respect to LIBOR Rate Loans without notice or demand of any kind on the effective date of any change in the Reserve Percentage as of such effective date. Upon and after the occurrence of an Event of Default, and during the continuation thereof, at the option of Agent or at the direction of Required Lenders (or, in the case of any Event of Default under Section 10.7, immediately and automatically upon the occurrence of any such Event of Default without the requirement of any affirmative action by any party), (i) the Obligations other than LIBOR Rate Loans shall bear interest at the applicable Contract Rate for Domestic Rate Loans plus two percent (2%) per annum and (ii) LIBOR Rate Loans shall bear interest at the Revolving Interest Rate for LIBOR Rate Loans plus two percent (2%) per annum (as applicable, the "Default Rate").

(k) **Collateral Monitoring Fee.** Section 3.4(a) of the Loan Agreement shall be amended and restated in its entirety as follows:

(q) Borrowers shall pay Agent a collateral monitoring fee equal to \$1,000 per month commencing on the first day of the month following the Closing Date and on the first day of each month thereafter during the Term. The collateral monitoring fee shall be deemed earned in full on the date when same is due and payable hereunder and shall not be subject to rebate or proration upon termination of this Agreement for any reason.

(l) **Receivables; Deposit Accounts and Securities Accounts.** Section 4.8(h) of the Loan Agreement shall be amended and restated in its entirety as follows:

(h) All proceeds of Collateral shall be deposited by Borrowers into either (i) a lockbox account, dominion account or such other "blocked account" ("Blocked Accounts") established at a bank or banks (each such bank, a "Blocked Account Bank") pursuant to an arrangement with such Blocked Account Bank as may be acceptable to Agent or (ii) depository accounts ("Depository Accounts") established at Agent for the deposit of such proceeds. Each applicable Borrower, Agent and each Blocked Account Bank shall enter into a deposit account control agreement in form and substance satisfactory to Agent that is sufficient to give Agent "control" (for purposes of Articles 8 and 9 of the Uniform Commercial Code) over such accounts and which directs such Blocked Account Bank to transfer such funds so deposited on a daily basis or at other times acceptable to Agent to Agent, either to any account maintained by Agent at said Blocked Account Bank or by wire transfer to appropriate account(s) at Agent; provided, however, that Borrowers shall not be required to give "control" to Agent with respect to any Excluded Accounts. All funds deposited in such Blocked Accounts or Depository Accounts shall immediately become subject to the security interest of Agent for its own benefit and the ratable benefit of Issuer, Lenders and all other holders of the Obligations, and Borrowing Agent shall obtain the agreement by such Blocked Account Bank to waive any offset rights against the funds so deposited. Neither Agent nor any Lender assumes any responsibility for such blocked account arrangement, including any claim of accord and satisfaction or release with respect to deposits accepted by any Blocked Account Bank thereunder. Upon the occurrence and during the continuance of any Springing Dominion Event, through and including the occurrence of any Springing Termination Event (Cash Dominion), Agent shall apply all funds received by it from the Blocked Accounts and/or Depository Accounts to the satisfaction of the Obligations (including the cash collateralization of the Letters of Credit) in such order as Agent shall determine in its sole discretion, provided that, in the absence of any Event of Default, Agent shall apply all such funds representing collection of Receivables first to the prepayment of the principal amount of the Swing Loans, if any, and then to the Revolving Advances.



(m) **Fixed Charge Coverage Ratio.** Section 6.5 of the Loan Agreement shall be amended and restated in its entirety as follows:

6.5 **Fixed Charge Coverage Ratio.** Upon the occurrence of any Springing Covenant Event and until the occurrence of a Springing Termination Event, cause to be maintained as of the end of each fiscal quarter, a Fixed Charge Coverage Ratio of not less than 1.00 to 1.00, measured on a rolling four (4) quarter basis. For the avoidance of doubt, upon the occurrence of a Springing Covenant Event, the Fixed Charge Coverage Ratio shall be tested for the immediately preceding fiscal quarter.

(n) **Capital Expenditures.** Section 7.6 of the Loan Agreement shall be amended and restated in its entirety as follows:

7.6 **Capital Expenditures.** Upon the occurrence of any Springing Covenant Event in any fiscal year, contract for, purchase or make any expenditure or commitments for Capital Expenditures (i) for the fiscal years ending June 30, 2015 and June 30, 2016, to the extent such Springing Covenant Event occurred in such fiscal year, in an aggregate amount for all Borrowers in excess of \$10,000,000 (including the aggregate amount of Capital Expenditures Indebtedness), or (ii) in any fiscal year thereafter, with respect to the fiscal year in which the Springing Covenant Event occurred, in an aggregate amount for all Borrowers in excess of \$5,000,000 (including the aggregate amount of Capital Expenditures Indebtedness).

(o) **Affiliate Payables.** Section 7.21 of the Loan Agreement shall be amended and restated in its entirety as follows:

7.21 **Affiliate Payables.** Permit (a) the terms of any accounts payable due to any Affiliate or Subsidiary of any Borrower to be modified in any manner that is adverse to any Borrower, or (b) upon the occurrence of any Springing Covenant Event, the amount of outstanding Receivables owing to the Borrowers from their Affiliates and Subsidiaries to exceed \$2,500,000 in the aggregate at any time.

(p) **Conditions to Each Equipment Loan.** Article 8 of the Loan Agreement shall be amended by adding the following Section 8.3 to the end of such Article:

8.3 **Conditions to Each Equipment Loan.** The agreement of Lenders to make any Equipment Loan is subject to satisfaction of the following conditions precedent: (a) receipt by Agent of (i) a copy of the invoice relating to the Equipment being purchased, (ii) evidence that the requested Equipment Loan does not exceed the net invoice cost of such Equipment being purchased by such Borrower (which shall be exclusive of shipping, delivery, handling, taxes, overhead, installation and all other "soft" costs), and (iii) such other documentation and evidence that Agent may reasonably request; and (b) after giving effect thereto, the aggregate amount of all Equipment Loans advanced hereunder shall not exceed the Maximum Equipment Loan Amount.

(q) **Schedules.** Section 9.2 of the Loan Agreement shall be amended and restated in its entirety as follows:

9.2 **Schedules.** Deliver to Agent (i) on or before the twentieth (20<sup>th</sup>) day of each month as and for the prior month (a) accounts receivable ageings, (b) accounts payable schedules, and (c) a Borrowing Base Certificate in form and substance satisfactory to Agent (which shall be calculated as of the last day of the prior month and which shall not be binding upon Agent or restrictive of Agent's rights under this Agreement), and (ii) twice each week (a) a Borrowing Base Certificate in form and substance satisfactory to Agent (which shall be calculated on a rolling basis as of the reporting date provided and which shall not be binding upon Agent or restrictive of Agent's rights under this Agreement), and (b) an associated sales report for the applicable reporting period. In addition, each Borrower will deliver to Agent, upon Agent's request, at such intervals as Agent may require: (i) confirmatory assignment schedules; (ii) copies of Customer's invoices; (iii) evidence of shipment or delivery; (iv) pipeline report and a report of affiliate balances; and (v) such further schedules, documents and/or information regarding the Collateral as Agent may require including trial balances and test verifications. Agent shall have the right to confirm and verify all Receivables by any manner and through any medium it considers advisable and do whatever it may deem reasonably necessary to protect its interests hereunder. The items to be provided under this Section are to be in form satisfactory to Agent and executed by each Borrower and delivered to Agent from time to time solely for Agent's convenience in maintaining records of the Collateral, and any Borrower's failure to deliver any of such items to Agent shall not affect, terminate, modify or otherwise limit Agent's Lien with respect to the Collateral. Unless otherwise agreed to by Agent, the items to be provided under this Section 9.2 shall be delivered to Agent by the specific method of Approved Electronic Communication designated by Agent.

(r) **Term.** Section 13.1 of the Loan Agreement shall be amended and restated in its entirety as follows:

13.1 **Term.** This Agreement, which shall inure to the benefit of and shall be binding upon the respective successors and permitted assigns of each Borrower, Agent and each Lender, shall become effective on the date hereof and shall continue in full force and effect until May 1, 2020 (the "Term") unless sooner terminated as herein provided. Borrowers may terminate this Agreement at any time upon sixty (60) days prior written notice to Agent upon payment in full of the Obligations. In the event the Obligations are prepaid in full (whether voluntary or involuntary, including after acceleration thereof) and this Agreement is terminated prior to the last day of the Term (the date of such prepayment hereinafter referred to as the "Early Termination Date"), Borrowers shall concurrently pay to Agent for the benefit of Lenders an early termination fee in an amount equal to (x) one half of one percent (0.50%) of the Maximum Loan Amount if the Early Termination Date occurs on or after the Fifth Amendment Date to and including May 1, 2017, and (y) zero percent (0.00%) of the Maximum Loan Amount if the Early Termination Date occurs on or after the date immediately following such date; provided, however, that if the Obligations are prepaid in full in connection with a refinancing provided by a division of PNC, no early termination fee shall be due upon the Early Termination Date.

(s) **Successors and Assigns.** Sections 16.3(c) and 16.3(d) of the Loan Agreement shall be amended and restated in their entirety as follows:

(c) Any Lender, with the consent of Agent, may sell, assign or transfer all or any part of its rights and obligations under or relating to Revolving Advances and/or Equipment Loans under this Agreement and the Other Documents to one or more additional Persons and one or more additional Persons may commit to make Advances hereunder (each a "Purchasing Lender"), in minimum amounts of not less than \$5,000,000, pursuant to a Commitment Transfer Supplement, executed by a Purchasing Lender, the transferor Lender, and Agent and delivered to Agent for recording, provided, however, that each partial assignment shall be made as an assignment of a proportionate part of all the assigning Lender's rights and obligations under this Agreement with respect to each of the Revolving Advances under this Agreement in which such Lender has an interest. Upon such execution, delivery, acceptance and recording, from and after the transfer effective date determined pursuant to such Commitment Transfer Supplement, (i) Purchasing Lender thereunder shall be a party hereto and, to the extent provided in such Commitment Transfer Supplement, have the rights and obligations of a Lender thereunder with a Revolving Commitment Percentage as set forth therein, and (ii) the transferor Lender thereunder shall, to the extent provided in such Commitment Transfer Supplement, be released from its obligations under this Agreement, the Commitment Transfer Supplement creating a novation for that purpose. Such Commitment Transfer Supplement shall be deemed to amend this Agreement to the extent, and only to the extent, necessary to reflect the addition of such Purchasing Lender and the resulting adjustment of the Revolving Commitment Percentages arising from the purchase by such Purchasing Lender of all or a portion of the rights and obligations of such transferor Lender under this Agreement and the Other Documents. Each Borrower hereby consents to the addition of such Purchasing Lender and the resulting adjustment of the Revolving Commitment Percentages arising from the purchase by such Purchasing Lender of all or a portion of the rights and obligations of such transferor Lender under this Agreement and the Other Documents. Borrowers shall execute and deliver such further documents and do such further acts and things in order to effectuate the foregoing.

(d) Any Lender, with the consent of Agent which shall not be unreasonably withheld or delayed, may directly or indirectly sell, assign or transfer all or any portion of its rights and obligations under or relating to Revolving Advances and/or Equipment Loans under this Agreement and the Other Documents to an entity, whether a corporation, partnership, trust, limited liability company or other entity that (i) is engaged in making, purchasing, holding or otherwise investing in bank loans and similar extensions of credit in the ordinary course of its business and (ii) is administered, serviced or managed by the assigning Lender or an Affiliate of such Lender (a "Purchasing CLO" and together with each Participant and Purchasing Lender, each a "Transferee" and collectively the "Transferees"), pursuant to a Commitment Transfer Supplement modified as appropriate to reflect the interest being assigned ("Modified Commitment Transfer Supplement"), executed by any intermediate purchaser, the Purchasing CLO, the transferor Lender, and Agent as appropriate and delivered to Agent for recording. Upon such execution and delivery, from and after the transfer effective date determined pursuant to such Modified Commitment Transfer Supplement, (i) Purchasing CLO thereunder shall be a party hereto and, to the extent provided in such Modified Commitment Transfer Supplement, have the rights and obligations of a Lender thereunder and (ii) the transferor Lender thereunder shall, to the extent provided in such Modified Commitment Transfer Supplement, be released from its obligations under this Agreement, the Modified Commitment Transfer Supplement creating a novation for that purpose. Such Modified Commitment Transfer Supplement shall be deemed to amend this Agreement to the extent, and only to the extent, necessary to reflect the addition of such Purchasing CLO. Each Borrower hereby consents to the addition of such Purchasing CLO. Borrowers shall execute and deliver such further documents and do such further acts and things in order to effectuate the foregoing.

**Section 2** Exhibit 2.3. Upon the effectiveness of this Amendment, the attached Exhibit 2.3 shall be added to the Loan Agreement as an Exhibit.

**Section 3** Representations, Warranties and Covenants of Borrowers

Each Borrower hereby represents and warrants to and covenants with the Agent and the Lenders that:

- (a) such Borrower reaffirms all representations and warranties made to Agent and Lenders under the Loan Agreement and all of the Other Documents (as described and defined in the Loan Agreement) and confirms that after giving effect to this Amendment all are true and correct in all material respects as of the date hereof (except to the extent any such representations and warranties specifically relate to a specific date, in which case such representations and warranties were true and correct in all material respects on and as of such other specific date);
- (b) from and after the Effective Date, such Borrower reaffirms all of the covenants contained in the Loan Agreement (as amended hereby) (including without limitation, all covenants to pay fees, costs and expenses contained therein), covenants to abide thereby until all Advances, Obligations and other liabilities of Borrowers to Agent and Lenders under the Loan Agreement of whatever nature and whenever incurred, are satisfied and/or released by Agent and Lenders (other than contingent indemnification obligations which survive termination of the Loan Agreement);
- (c) no Default or Event of Default has occurred and is continuing under the Loan Agreement or the Other Documents (as described and defined in the Loan Agreement);
- (d) such Borrower has the authority and legal right to execute, deliver and carry out the terms of this Amendment and the Notes (as defined below), that such actions were duly authorized by all necessary limited liability company or corporate action, as applicable, and that the officer executing this Amendment and the Notes on its behalf was similarly authorized and empowered, and that this Amendment and the Notes does not contravene any provisions of its certificate of incorporation or formation, operating agreement, bylaws, or other formation documents, as applicable, or of any material contract or agreement to which it is a party or by which any of its properties are bound; and

(e) this Amendment, the Notes, and all assignments, instruments, documents, and agreements executed and delivered in connection herewith, are valid, binding and enforceable in accordance with their respective terms, except as such enforceability may be limited by any applicable bankruptcy, insolvency, moratorium or similar laws affecting creditors' rights generally.

**Section 4** Conditions Precedent/Effectiveness Conditions

This Amendment shall be effective upon the date of satisfaction of all of the following conditions precedent (the "Effective Date"):

- (a) Agent shall have received this Amendment fully executed by the Borrowers;
- (b) Agent shall have received an equipment loan note in the amount of \$10,000,000 executed by Borrowers in favor of PNC (the "Equipment Note");
- (c) Agent shall have received an amended and restated revolving credit note in the amount of \$40,000,000 executed by Borrowers in favor of PNC (the "A&R Note" and together with the Equipment Note, the "Notes");
- (d) Agent shall have received a copy of the resolutions in form and substance reasonably satisfactory to Agent, of the Board of Directors of each Borrower authorizing the execution, delivery and performance of this Amendment and the Notes, certified by the Secretary of such Borrower, together with a certification as to the incumbency signatures of each person signing such documents on behalf of Borrowers;
- (e) Agent shall have received the results of updated UCC, tax lien, and judgment searches against each of the Borrowers;
- (f) Agent shall have received a non-refundable amendment fee in the amount of \$50,000 which shall be fully earned as of the date of this Amendment; and
- (g) No Default or Event of Default shall have occurred and be continuing under the Loan Agreement.

**Section 5** Further Assurances

Each Borrower hereby agrees to take all such actions and to execute and/or deliver to Agent and Lenders all such documents, assignments, financing statements and other documents, as Agent and Lenders may reasonably require from time to time, to effectuate and implement the purposes of this Amendment.

**Section 6** Payment of Expenses

Borrowers shall pay or reimburse Agent and Lenders for their reasonable fees of external counsel and other expenses in connection with the preparation, negotiation and execution of this Amendment and the documents provided for herein or related hereto.

**Section 7**      **Reaffirmation of Loan Agreement**

Except as modified by the terms hereof, all of the terms and conditions of the Loan Agreement, as amended, are hereby reaffirmed and shall continue in full force and effect as therein written.

**Section 8**      **Miscellaneous**

(a)      Third Party Rights. No rights are intended to be created hereunder for the benefit of any third party donee, creditor, or incidental beneficiary.

(b)      Headings. The headings of any paragraph of this Amendment are for convenience only and shall not be used to interpret any provision hereof.

(c)      Modifications. No modification hereof or any agreement referred to herein shall be binding or enforceable unless in writing and signed on behalf of the party against whom enforcement is sought.

(d)      Governing Law. The terms and conditions of this Amendment shall, in accordance with Section 5-1401 of the General Obligations Law of the State of New York, be governed by the laws of the State of New York without regard to any conflicts of laws principles.

(e)      Counterparts. This Amendment may be executed in any number of and by different parties hereto on separate counterparts, all of which, when so executed, shall be deemed an original, but all such counterparts shall constitute one and the same agreement. Any signature delivered by a party by facsimile or pdf transmission shall be deemed to be an original signature hereto.

*[signature page follows]*

IN WITNESS WHEREOF, the parties have caused this Amendment to be executed and delivered by their duly authorized officers as of the date first above written.

**BORROWERS:**

**TRG CUSTOMER SOLUTIONS, INC. d/b/a IBEX Global Solutions**

By: /s/ Robert T. Dechant  
Name Robert T. Dechant  
Title Chief Executive Officer

**PNC BANK, NATIONAL ASSOCIATION**  
As Lender and as Agent

By: /s/ Jacqueline MacKenzie  
Jacqueline MacKenzie, Vice President

Revolving Commitment Percentage: 100%  
Equipment Loan Commitment Percentage: 100%  
Revolving Commitment Amount \$40,000,000  
Equipment Loan Commitment Amount: \$10,000,000

[SIGNATURE PAGE TO FIFTH AMENDMENT TO  
REVOLVING CREDIT AND SECURITY AGREEMENT]

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IN WITNESS WHEREOF, the parties have caused this Amendment to be executed and delivered by their duly authorized officers as of the date first above written.

**BORROWERS:**

**TRG CUSTOMER SOLUTIONS, INC. d/b/a IBEX Global Solutions**

By: /s/ Robert T. Dechant

Name Robert T. Dechant  
Title Chief Executive Officer

**PNC BANK, NATIONAL ASSOCIATION**

As Lender and as Agent

By: /s/ Jacqueline MacKenzie

Jacqueline MacKenzie, Vice President

Revolving Commitment Percentage: 100%  
Equipment Loan Commitment Percentage: 100%  
Revolving Commitment Amount \$40,000,000  
Equipment Loan Commitment Amount: \$10,000,000

[SIGNATURE PAGE TO FIFTH AMENDMENT TO  
REVOLVING CREDIT AND SECURITY AGREEMENT]

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## FORM OF EQUIPMENT NOTE

\$10,000,000

June 26, 2015

**FOR VALUE RECEIVED, TRG CUSTOMER SOLUTIONS, INC.**, a Delaware corporation doing business as IBEX Global Solutions ("**Borrower**") hereby promises to pay to the order of PNC BANK, NATIONAL ASSOCIATION (the "**Holder**"), at the Payment Office: (i) at the end of the Term or (ii) earlier as provided in the Credit Agreement, the principal sum of TEN MILLION DOLLARS (\$10,000,000) or such lesser sum which then represents the Holder's Equipment Loan Commitment Percentage of the aggregate unpaid principal amount of all Equipment Loans outstanding under the Credit Agreement, in lawful money of the United States of America in immediately available funds, together with interest on the principal hereunder remaining unpaid from time to time, at the rate or rates from time to time in effect under the Credit Agreement.

**THIS EQUIPMENT NOTE** is executed and delivered under and pursuant to the terms of that certain Revolving Credit and Security Agreement, dated as of November 8, 2013 (as the same may be amended, restated, supplemented or otherwise modified from time to time, the "**Credit Agreement**"), by and among Borrower, the various financial institutions named therein or which hereafter become party thereto as lenders (the "**Lenders**"), and PNC Bank, National Association, in its capacity as agent for the Lenders (in such capacity, "**Agent**") and in its capacity as a Lender. Capitalized terms used herein and not otherwise defined herein shall have the meanings provided in the Credit Agreement.

Borrower hereby waives diligence, presentment, demand, protest and notice of any kind whatsoever as further set forth in the Credit Agreement.

This Equipment Note is one of the Notes referred to in the Credit Agreement, which among other things, contains provisions for the acceleration of the maturity hereof upon the happening of certain events, for optional and mandatory prepayments of the principal hereof prior to the maturity hereof and for the amendment or waiver of certain terms and conditions therein specified.

THIS NOTE SHALL, IN ACCORDANCE WITH SECTION 5-1401 OF THE GENERAL OBLIGATIONS LAW OF THE STATE OF NEW YORK, BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK.

[SIGNATURES APPEAR ON THE FOLLOWING PAGE]

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IN WITNESS WHEREOF, the undersigned has executed this Note the day and year first written above intending to be legally bound hereby.

**TRG CUSTOMER SOLUTIONS, INC.**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

[SIGNATURE PAGE TO EQUIPMENT NOTE]

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SIXTH AMENDMENT TO  
REVOLVING CREDIT AND SECURITY AGREEMENT

This Sixth Amendment to Revolving Credit and Security Agreement (this "Amendment") is made as of this 30<sup>th</sup> day of June, 2016, by and among TRG CUSTOMER SOLUTIONS, INC. d/b/a IBEX Global Solutions ("IBEX", together with any Person joined to the Loan Agreement as a borrower, collectively the "Borrowers"), the financial institutions which are now or which hereafter become party to the Loan Agreement as lenders (collectively, the "Lenders"), and PNC BANK, NATIONAL ASSOCIATION ("PNC"), as agent for Lenders (PNC, in such capacity, the "Agent") and as a Lender.

**BACKGROUND**

A. On November 8, 2013, Borrowers, Lenders and PNC as a Lender and as Agent entered into that certain Revolving Credit and Security Agreement (as same has been or may be amended, restated, modified, renewed, extended, replaced or substituted from time to time, the "Loan Agreement") to reflect certain financing arrangements between the parties thereto. All capitalized terms not otherwise defined herein shall have the meaning ascribed thereto in the Loan Agreement.

B. Borrowers have requested that Agent and Lenders modify certain definitions, terms and conditions in the Loan Agreement, and Agent and Lenders are willing to do so on the terms and conditions hereafter set forth.

NOW THEREFORE, with the foregoing background hereinafter deemed incorporated by reference herein and made part hereof, the parties hereto, intending to be legally bound, promise and agree as follows:

**Section 1** Amendments to Loan Agreement. On the Sixth Amendment Effective Date:

(a) New Definitions. The following defined terms shall be added to Section 1.2 of the Loan Agreement in the proper alphabetical order:

"Commitment Percentage" shall mean for any Lender party to this Agreement, the percentage set forth below such Lender's name with respect to each type of Advance on the signature page hereof as same may be adjusted upon any assignment by a Lender pursuant to Section 16.3(c) or (d) hereof, and for any Lender that becomes a party to this Agreement pursuant to a Commitment Transfer Supplement or a Modified Commitment Transfer Supplement, the percentage set forth in Schedule 1 to such Commitment Transfer Supplement or Modified Commitment Transfer Supplement, as applicable.

"Excess Cash Flow" shall mean, for any fiscal period, in each case for Borrowers on a Consolidated Basis, EBITDA, minus each of the following, to the extent actually paid in cash during such fiscal period, Unfunded Capital Expenditures, distributions (including tax distributions but excluding Permitted Holdings Distributions of \$11,500,000 paid through June 30, 2016), dividends and Royalty Payments, taxes and Debt Payments.

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“Maximum Term Loan Amount” shall mean \$10,000,000.

“Sixth Amendment Date” shall mean June 30, 2016.

“Term Loan” shall have the meaning set forth in Section 2.3.1 hereof.

“Term Loan Commitment” shall mean, as to any Lender, the obligation of such Lender (if applicable), which obligation is subject to all the terms and conditions of this Agreement and the Other Documents, to make Term Loans in an aggregate principal amount not to exceed the Term Loan Commitment Amount (if any) of such Lender.

“Term Loan Commitment Amount” shall mean, as to any Lender, the term loan commitment amount (if any) set forth below such Lender’s name on the signature page hereof (or, in the case of any Lender that became party to this Agreement after the Closing Date pursuant to Section 16.3(c) or (d) hereof, the term loan commitment amount (if any) of such Lender as set forth in the applicable Commitment Transfer Supplement), as the same may be adjusted upon any assignment by or to such Lender pursuant to Section 16.3(c) or (d) hereof.

“Term Loan Commitment Percentage” shall mean, as to any Lender, the Term Loan Commitment Percentage (if any) set forth below such Lender’s name on the signature page hereof (or, in the case of any Lender that became party to this Agreement after the Closing Date pursuant to Section 16.3(c) or (d) hereof, the Term Loan Commitment Percentage (if any) of such Lender as set forth in the applicable Commitment Transfer Supplement), as the same may be adjusted upon any assignment by or to such Lender pursuant to Section 16.3(c) or (d) hereof.

“Term Loan” shall have the meaning set forth in Section 2.3.1 hereof.

“Term Loan Rate” shall mean (a) with respect to Term Loans that are Domestic Rate Loans, an interest rate per annum equal to the sum of the Applicable Margin plus the Alternate Base Rate and (b) with respect to Term Loans that are LIBOR Rate Loans, an interest rate per annum equal to the sum of the Applicable Margin plus the LIBOR Rate.

“Term Note” shall mean, collectively, the promissory notes referred to in Section 2.3.1 hereof.

(b) Definitions. The following defined terms contained in Section 1.2 of the Loan Agreement shall be amended and restated in their entirety as follows:

“Advances” shall mean and include the Revolving Advances, Equipment Loans, Letters of Credit, Term Loans and the Swing Loans.

“Applicable Margin” shall mean (a) an amount equal to negative one half of one percent (-0.50%) for (1) Revolving Advances consisting of Domestic Rate Loans, and (ii) Swing Loans, (b) an amount equal to one and three quarters of one percent (1.75%) for Revolving Advances consisting of LIBOR Rate Loans, (c) an amount equal to one half of one percent (0.50%) for Equipment Loans consisting of Domestic Rate Loans, (d) an amount equal to three and one quarter of one percent (3.25%) for Equipment Loans consisting of LIBOR Rate Loans, (e) an amount equal to one and one half of one percent (1.50%) for Term Loans consisting of Domestic Rate Loans, and (f) an amount equal to three and one half of one percent (3.5%) for Term Loans consisting of LIBOR Rate Loans.

“Capital Expenditures Indebtedness” shall mean an amount not to exceed (i) \$5,000,000 during Borrowers’ 2016 fiscal year to finance Capital Expenditures, and (ii) \$7,500,000 during each fiscal year of Borrowers thereafter to finance Capital Expenditures.

“Debt Payments” shall mean for any period, in each case, all cash actually expended by any Borrower to make: (a) interest payments on any Advances hereunder, plus (b) scheduled principal payments on the Equipment Loans plus (c) scheduled principal payments on the Term Loans plus (d) payments for all fees, commissions and charges set forth herein, plus (e) payments on Capitalized Lease Obligations, plus (f) payments with respect to any other Indebtedness for borrowed money.

“Fixed Charge Coverage Ratio” shall mean, with respect to any fiscal period, the ratio of (a) EBITDA, minus Unfunded Capital Expenditures made by any Borrower during such period, minus distributions (including tax distributions but excluding Permitted Holdings Distributions of \$11,500,000 paid through June 30, 2016), dividends and cash Royalty Payments made by any Borrower during such period, minus cash taxes paid by any Borrower during such period to (b) all Debt Payments made by any Borrower during such period.

“Maximum Equipment Loan Amount” shall mean \$3,000,000.

“Maximum Loan Amount” shall mean \$53,000,000.

“Note” shall mean collectively, the Revolving Credit Note, the Equipment Note, the Term Notes and the Swing Loan Note.

“Permitted Holdings Distributions” shall mean a distribution to Holdings from time to time of an amount not to exceed in the aggregate (1) funds in an amount equal to \$11,500,000 provided to a Borrower by Holdings on or prior to the Closing Date, and (2) funds provided after the Closing Date to a Borrower by Holdings as working capital or as a capital contribution and not on account of any services provided by any Borrower, upon satisfaction of the following conditions: (a) Borrowers shall have complied with the covenant in Section 6.15(c) and (b) both before and after giving pro-forma effect to any such distribution (i) no Default or Event of Default shall exist or will exist, (ii) no Springing Covenant Event shall have occurred or would exist, and (iii) Borrowers shall have complied with the covenant in Section 6.5 (Fixed Charge Coverage Ratio). For purposes of calculating the amount that may be distributed at any time hereunder, all distributions will be deemed distributed on account of the amounts permitted under subsection (1) above until such time that the full amount of the funds provided to Borrowers by Holdings prior to the Closing Date has been returned, which as of the Sixth Amendment Effective Date, Borrowers acknowledge have been fully paid and satisfied, and thereafter such amounts shall be deemed distributed on account of subsection (2) above. From and after the Sixth Amendment Effective Date, upon the satisfaction of the conditions set forth in clause (b) above, distributions may be made, together with Permitted Royalty Payments, in an aggregate amount as follows: (x) in fiscal year 2016, in an amount equal to 100% of Excess Cash Flow up to \$7,900,000, and (y) in fiscal year 2017, in an amount equal to 100% of Excess Cash Flow up to \$7,300,000 plus, to the extent Excess Cash Flow exceeds \$7,300,000 in fiscal year 2017, an amount up to fifty percent (50%) of Excess Cash Flow in excess of \$7,300,000, subject, however, to Mandatory Prepayments required under Section 2.20(d); provided, however, for purposes of calculating the amount of distributions that may be permitted in (x) and (y) above, at such time as the aggregate principal amount of all Term Loans is less than \$6,000,000, the Excess Cash Flow limitation shall not apply, and at such time as there are no outstanding Term Loans, neither the Excess Cash Flow limitation or clause (b)(iii) above shall apply.

“Permitted Royalty Payments” shall mean the payment of Royalty Payments by a Borrower on a quarterly basis upon satisfaction of the following conditions: (a) both before and after giving pro-forma effect to any such payments (i) no Default or Event of Default shall exist, (ii) no Springing Covenant Event shall exist, and (iii) Borrowers shall have complied with the covenant in Section 6.5 (Fixed Charge Coverage Ratio); and (b) the aggregate amount of such payments shall not exceed the lesser of, (i) four percent (4%) of the Borrowers’ gross revenue (determined in accordance with GAAP) for any fiscal period, and (ii) from and after the Sixth Amendment Effective Date, the aggregate amount of distributions and Permitted Royalty Payments permitted in the definition of Permitted Holdings Distributions; provided, however, for purposes of calculating the amount of Permitted Royalty Payments permitted hereunder, at such time as there are no outstanding Term Loans, clause (a)(iii) above shall not apply.

“Revolving Advances” shall mean Advances other than Letters of Credit, Equipment Loans, Term Loans and the Swing Loans.

“Undrawn Availability” at a particular date shall mean an amount equal to (a) the sum of all cash in Depository Accounts plus the lesser of (i) the Formula Amount or (ii) the Maximum Revolving Advance Amount minus the Maximum Undrawn Amount of all outstanding Letters of Credit, minus (b) the sum of (i) the outstanding amount of Advances (other than the Equipment Loans and Term Loans) plus (ii) fees and expenses incurred in connection with the Transactions for which Borrowers are liable but which have not been paid or charged to Borrowers’ Account.

(c) Term Loans, Section 2.3 of the Loan Agreement shall be amended by adding the following Section 2.3.1 to the end of Section 2.3 as follows:

2.3.1 Term Loans. Subject to the terms and conditions of this Agreement, each Lender, severally and not jointly, shall, from time to time, make available Advances to one or more Borrowers (each, a “Term Loan” and collectively, the “Term Loans”), in an amount equal to such Lender’s Term Loan Commitment Percentage of the applicable Term Loan.

(a) A Term Loan shall be advanced on or within two (2) Business Days after the Sixth Amendment Effective Date in an amount equal to \$6,000,000 but in no event greater than such Lender's Term Loan Commitment ("Term Loan A"). Term Loan A shall be, with respect to principal, payable as follows, subject to acceleration upon the occurrence of an Event of Default under this Agreement or termination of this Agreement: (i) thirty six (36) consecutive monthly payments in the amount of \$166,666.66 commencing July 1, 2016 and continuing on the first day of each month thereafter with the final installment to include all unpaid principal, accrued and unpaid interest and all unpaid fees, costs and expenses related thereto. Term Loan A shall be evidenced by a secured promissory note ("Term Note A") in substantially the form attached hereto as Exhibit 2.3.1. Term Loan A may consist of a Domestic Rate Loan or LIBOR Rate Loan, or a combination thereof, as Borrowing Agent may request. In the event that Borrowers desire to obtain or extend a LIBOR Rate Loan or to convert a Domestic Rate Loan to a LIBOR Rate Loan, Borrowing Agent shall comply with the notification requirements set forth in Sections 2.2(b) and (d) and the provisions of Sections 2.2(b) through (g) shall apply.

(b) Subject to the terms and conditions set forth in clause 2.3.1(c) below, a Term Loan shall be advanced in an amount equal to \$4,000,000 but in no event greater than such Lender's Term Loan Commitment ("Term Loan B"). Term Loan B shall be, with respect to principal, payable as follows, subject to acceleration upon the occurrence of an Event of Default under this Agreement or termination of this Agreement: (i) thirty six (36) consecutive monthly payments in the amount of \$111,111.11 commencing on the first day of the month following the funding of Term Loan B and continuing on the first day of each month thereafter, with the final installment to include all unpaid principal, accrued and unpaid interest and all unpaid fees, costs and expenses related thereto. Term Loan B shall be evidenced by a secured promissory note ("Term Note B") in substantially the form attached hereto as Exhibit 2.3.1. Term Loan B may consist of a Domestic Rate Loan or LIBOR Rate Loan, or a combination thereof, as Borrowing Agent may request. In the event that Borrowers desire to obtain or extend a LIBOR Rate Loan or to convert a Domestic Rate Loan to a LIBOR Rate Loan, Borrowing Agent shall comply with the notification requirements set forth in Sections 2.2(b) and (d) and the provisions of Sections 2.2(b) through (g) shall apply.

(c) Conditions to making Term Loan B. Term Loan B will be advanced within thirty (30) days after Agent's receipt of Borrower's 2016 fiscal year audited financial statements provided: (i) such financial statements indicate that Borrower's EBITDA was no less than \$15,000,000 for such fiscal year, (ii) the Compliance Certificate related to said financial statements indicates that no Default or Event of Default exists, (iii) no Default or Event of Default shall exist on the date Term Loan B is advanced to Borrower or after giving effect thereto, (iv) Borrowers' Average Undrawn Availability for the thirty (30) day period immediately preceding the funding date of Term Loan B shall have been not less than \$7,500,000, and (v) Agent shall have received, for its account, a nonrefundable fee in the amount of \$20,000 on the funding date of Term Loan B. If Borrower does not satisfy the foregoing terms, the commitment to advance Term Loan B shall automatically expire and, to the extent the fee described in clause (v) above shall have been paid, such fee shall be returned to Borrowers.



(d) **Making and Settlement of Advances.** Section 2.6(a) of the Loan Agreement shall be amended and restated in its entirety as follows:

(a) Each borrowing of Revolving Advances shall be advanced according to the applicable Revolving Commitment Percentages of Lenders holding the Revolving Commitments (subject to any contrary terms of Section 2.22). Each borrowing of Swing Loans shall be advanced by Swing Loan Lender alone. Each borrowing of Equipment Loans shall be advanced according to the applicable Equipment Loan Commitment Percentages of Lenders holding the Equipment Loan Commitments. Each borrowing of Term Loans shall be advanced according to the applicable Term Loan Commitment Percentages of Lenders holding the Term Loan Commitments.

(e) **Manner and Repayment of Advances.** Section 2.8(a) of the Loan Agreement shall be amended and restated in its entirety as follows:

(a) The Revolving Advances and Swing Loans shall be due and payable in full on the last day of the Term subject to earlier prepayment as herein provided. The Equipment Loans shall be due and payable as provided in Section 2.3 hereof and in the Equipment Note, subject to mandatory prepayments as herein provided. The Term Loans shall be due and payable as provided in Section 2.3.1 hereof and in the Term Notes, subject to mandatory prepayments as herein provided. Notwithstanding the foregoing, all Advances shall be subject to earlier repayment upon (x) acceleration upon the occurrence of an Event of Default under this Agreement or (y) termination of this Agreement. Each payment (including each prepayment) by any Borrower on account of the principal of and interest on the Advances shall be applied (x) first, to the outstanding principal installments of the Term Loans in the inverse order of the maturities thereof; (y) second, to the outstanding principal installments of the Equipment Loans in the inverse order of the maturities thereof, and (z) third, to the remaining Advances (subject to any contrary provisions of Section 2.22) pro rata according to the applicable Revolving Commitment Percentages of Lenders in such order as Agent may determine.

(f) **Mandatory Prepayments.** Section 2.20 of the Loan Agreement shall be amended by amending Section 2.20(a) and adding a new Section 2.20(d), each as follows:

(1) Section 2.20(a) shall be amended and restated in its entirety as follows:

(a) Subject to Section 7.1 hereof, when any Borrower sells or otherwise disposes of any Collateral other than Inventory in the Ordinary Course of Business, Borrowers shall repay the Advances in an amount equal to the net proceeds of such sale (i.e., gross proceeds less the reasonable direct costs of such sales or other dispositions), such repayments to be made promptly but in no event more than three (3) Business Days following receipt of such net proceeds, and until the date of payment, such proceeds shall be held in trust for Agent. The foregoing shall not be deemed to be implied consent to any such sale otherwise prohibited by the terms and conditions hereof. Such repayments shall be applied to the outstanding Advances (x) first, to the outstanding principal installments of the Term Loans in the inverse order of the maturities thereof, (y) second, to the outstanding principal installments of the Equipment Loans in the inverse order of the maturities thereof, and (z) third, to the remaining Advances (including cash collateralization of all Obligations relating to any outstanding Letters of Credit in accordance with the provisions of Section 3.2(b), provided however that if no Default or Event of Default has occurred and is continuing, such repayments shall be applied to cash collateralize any Obligations related to outstanding Letters of Credit last) in such order as Agent may determine, subject to Borrowers' ability to reborrow Revolving Advances in accordance with the terms hereof.

(2) a new Section 2.20(d) shall be added as follows:

(d) Borrowers shall prepay the outstanding amount of the Term Loans in an amount equal to twenty-five percent (25%) of Excess Cash Flow for each fiscal year commencing with the fiscal year ending June 30, 2017, payable upon delivery of the financial statements to Agent referred to in and required by Section 9.7 for such fiscal year, which amounts shall be applied to the Term Loans in inverse order of maturity. In the event that the financial statements are not so delivered, then a calculation based upon estimated amounts shall be made by Agent upon which calculation Borrowers shall make the prepayment required by this Section 2.20(d), subject to adjustment when the financial statements are delivered to Agent as required hereby. The calculation made by Agent shall not be deemed a waiver of any rights Agent or Lenders may have as a result of the failure by Borrowers to deliver such financial statements.

(g) **Interest.** Section 3.1 of the Loan Agreement shall be amended and restated in its entirety as follows:

3.1 **Interest.** Interest on Advances shall be payable in arrears on the first day of each month with respect to Domestic Rate Loans and, with respect to LIBOR Rate Loans, at the end of each Interest Period, provided further that all accrued and unpaid interest shall be due and payable at the end of the Term. Interest charges shall be computed on the actual principal amount of Advances outstanding during the month at a rate per annum equal to (i) with respect to Revolving Advances, the applicable Revolving Interest Rate, (ii) with respect to Swing Loans, the Revolving Interest Rate for Domestic Rate Loans, (iii) with respect to Equipment Loans, the applicable Equipment Loan Rate, and (iv) with respect to Term Loans, the applicable Term Loan Rate (as applicable, the "Contract Rate"). Except as expressly provided otherwise in this Agreement, any Obligations other than the Advances that are not paid when due shall accrue interest at the Revolving Interest Rate for Domestic Rate Loans, subject to the provision of the final sentence of this Section 3.1 regarding the Default Rate. Whenever, subsequent to the date of this Agreement, the Alternate Base Rate is increased or decreased, the applicable Contract Rate shall be similarly changed without notice or demand of any kind by an amount equal to the amount of such change in the Alternate Base Rate during the time such change or changes remain in effect. The LIBOR Rate shall be adjusted with respect to LIBOR Rate Loans without notice or demand of any kind on the effective date of any change in the Reserve Percentage as of such effective date. Upon and after the occurrence of an Event of Default, and during the continuation thereof, at the option of Agent or at the direction of Required Lenders (or, in the case of any Event of Default under Section 10.7, immediately and automatically upon the occurrence of any such Event of Default without the requirement of any affirmative action by any party), (i) the Obligations other than LIBOR Rate Loans shall bear interest at the applicable Contract Rate for Domestic Rate Loans plus two percent (2%) per annum and (ii) LIBOR Rate Loans shall bear interest at the Revolving Interest Rate for LIBOR Rate Loans plus two percent (2%) per annum (as applicable, the "Default Rate").

(h) **Fixed Charge Coverage Ratio.** Section 6.5 of the Loan Agreement shall be amended and restated in its entirety as follows:

6.5 **Fixed Charge Coverage Ratio.** Upon the occurrence of any Springing Covenant Event and until the occurrence of a Springing Termination Event, cause to be maintained as of the end of each fiscal quarter, a Fixed Charge Coverage Ratio of not less than 1.00 to 1.00, measured on a rolling four (4) quarter basis, except as set forth below. For the avoidance of doubt, upon the occurrence of a Springing Covenant Event, the Fixed Charge Coverage Ratio shall be tested for the immediately preceding fiscal quarter. From and after the Sixth Amendment Effective Date, for purposes of calculating the Fixed Charge Coverage Ratio, the Fixed Charge Coverage Ratio shall be measured on (a) the trailing three (3) months for the period ending September 30, 2016, (b) the trailing six (6) months for the period ending December 31, 2016, (c) the trailing (9) months for the period ending March 31, 2017, (d) the trailing twelve (12) months for the period ending June 30, 2017, and (e) on a rolling four (4) quarter basis thereafter based on the trailing twelve (12) months.

(i) **Sale of Assets.** Section 7.1(b) of the Loan Agreement shall be amended and restated to read as follows:

(b) Sell, lease, transfer or otherwise dispose of any of its properties or assets, except (i) the sale of property or assets in the Ordinary Course of Business, (ii) the disposition or transfer of obsolete or worn-out equipment, or equipment that has become no longer useful in such Borrower's business, in the Ordinary Course of Business, (iii) the sale of AT&T Receivables pursuant to the Factoring Agreement; provided, however, that Borrowers shall not sell any AT&T Receivables unless all proceeds of any such sales shall be deposited into a Depository Account subject to the AT&T/Citibank Agreement, and (iv) any other sales or dispositions expressly permitted by this Agreement in each case not to exceed assets with a fair market value of more than \$250,000 in any fiscal year and to the extent that (x) the proceeds of any such disposition are used to acquire replacement equipment which is subject to Agent's first priority security interest or (y) the proceeds of which, in excess of \$50,000, are remitted to Agent to be applied pursuant to Section 2.20.

(j) **Capital Expenditures.** Section 7.6 of the Loan Agreement shall be amended and restated in its entirety as follows:

7.6 **Capital Expenditures.** Upon the occurrence of any Springing Covenant Event in any fiscal year, contract for, purchase or make any expenditure or commitments for Capital Expenditures (i) for the fiscal year ending June 30, 2016, to the extent such Springing Covenant Event occurred in such fiscal year, in an aggregate amount for all Borrowers in excess of \$5,000,000 (including the aggregate amount of Capital Expenditures Indebtedness), or (ii) in any fiscal year thereafter, with respect to the fiscal year in which the Springing Covenant Event occurred, in an aggregate amount for all Borrowers in excess of \$7,500,000 (including the aggregate amount of Capital Expenditures Indebtedness).

(k) **Term.** Section 13.1 of the Loan Agreement shall be amended and restated in its entirety as follows:

13.1 **Term.** This Agreement, which shall inure to the benefit of and shall be binding upon the respective successors and permitted assigns of each Borrower, Agent and each Lender, shall become effective on the date hereof and shall continue in full force and effect until May 1, 2020 (the "Term") unless sooner terminated as herein provided. Borrowers may terminate this Agreement at any time upon sixty (60) days prior written notice to Agent upon payment in full of the Obligations. In the event the Obligations are prepaid in full (whether voluntary or involuntary, including after acceleration thereof) and this Agreement is terminated prior to the last day of the Term (the date of such prepayment hereinafter referred to as the "Early Termination Date"), Borrowers shall concurrently pay to Agent for the benefit of Lenders an early termination fee in an amount equal to (x) one half of one percent (0.50%) of the Maximum Loan Amount if the Early Termination Date occurs on or after the Sixth Amendment Date to and including May 1, 2017, (y) one quarter of one percent (0.25%) of the Maximum Loan Amount if the Early Termination Date occurs on or after May 2, 2017 to and including May 1, 2018, and (z) zero percent (0.00%) of the Maximum Loan Amount if the Early Termination Date occurs on or after the date immediately following such date; provided, however, that if the Obligations are prepaid in full in connection with a refinancing provided by a division of PNC, no early termination fee shall be due upon the Early Termination Date.

(l) **Successors and Assigns.** Sections 16.3(c) and 16.3(d) of the Loan Agreement shall be amended and restated in their entirety as follows:

(c) Any Lender, with the consent of Agent, may sell, assign or transfer all or any part of its rights and obligations under or relating to Revolving Advances and/or Equipment Loans and/or Term Loans under this Agreement and the Other Documents to one or more additional Persons and one or more additional Persons may commit to make Advances hereunder (each a "Purchasing Lender"), in minimum amounts of not less than \$5,000,000, pursuant to a Commitment Transfer Supplement, executed by a Purchasing Lender, the transferor Lender, and Agent and delivered to Agent for recording, provided, however, that each partial assignment shall be made as an assignment of a proportionate part of all the assigning Lender's rights and obligations under this Agreement with respect to each of the Advances under this Agreement in which such Lender has an interest. Upon such execution, delivery, acceptance and recording, from and after the transfer effective date determined pursuant to such Commitment Transfer Supplement, (i) Purchasing Lender thereunder shall be a party hereto and, to the extent provided in such Commitment Transfer Supplement, have the rights and obligations of a Lender thereunder with a Commitment Percentage as set forth therein, and (ii) the transferor Lender thereunder shall, to the extent provided in such Commitment Transfer Supplement, be released from its obligations under this Agreement, the Commitment Transfer Supplement creating a novation for that purpose. Such Commitment Transfer Supplement shall be deemed to amend this Agreement to the extent, and only to the extent, necessary to reflect the addition of such Purchasing Lender and the resulting adjustment of the Commitment Percentages arising from the purchase by such Purchasing Lender of all or a portion of the rights and obligations of such transferor Lender under this Agreement and the Other Documents. Each Borrower hereby consents to the addition of such Purchasing Lender and the resulting adjustment of the Commitment Percentages arising from the purchase by such Purchasing Lender of all or a portion of the rights and obligations of such transferor Lender under this Agreement and the Other Documents. Borrowers shall execute and deliver such further documents and do such further acts and things in order to effectuate the foregoing.

(d) Any Lender, with the consent of Agent which shall not be unreasonably withheld or delayed, may directly or indirectly sell, assign or transfer all or any portion of its rights and obligations under or relating to Revolving Advances and/or Equipment Loans and/or Term Loans under this Agreement and the Other Documents to an entity, whether a corporation, partnership, trust, limited liability company or other entity that (i) is engaged in making, purchasing, holding or otherwise investing in bank loans and similar extensions of credit in the ordinary course of its business and (ii) is administered, serviced or managed by the assigning Lender or an Affiliate of such Lender (a "Purchasing CLO" and together with each Participant and Purchasing Lender, each a "Transferee" and collectively the "Transferees"), pursuant to a Commitment Transfer Supplement modified as appropriate to reflect the interest being assigned ("Modified Commitment Transfer Supplement"), executed by any intermediate purchaser, the Purchasing CLO, the transferor Lender, and Agent as appropriate and delivered to Agent for recording. Upon such execution and delivery, from and after the transfer effective date determined pursuant to such Modified Commitment Transfer Supplement, (i) Purchasing CLO thereunder shall be a party hereto and, to the extent provided in such Modified Commitment Transfer Supplement, have the rights and obligations of a Lender thereunder and (ii) the transferor Lender thereunder shall, to the extent provided in such Modified Commitment Transfer Supplement, be released from its obligations under this Agreement, the Modified Commitment Transfer Supplement creating a novation for that purpose. Such Modified Commitment Transfer Supplement shall be deemed to amend this Agreement to the extent, and only to the extent, necessary to reflect the addition of such Purchasing CLO. Each Borrower hereby consents to the addition of such Purchasing CLO. Borrowers shall execute and deliver such further documents and do such further acts and things in order to effectuate the foregoing.

**Section 2** Exhibit 2.3.1. Upon the Sixth Amendment Effective Date, the attached Exhibit 2.3.1 shall be added to the Loan Agreement as an Exhibit.

**Section 3** Acknowledgment Regarding Permitted Holdings Distributions.

Borrowers acknowledge and agree that, as of the date first written above, Borrowers have repaid in full the \$11,500,000 referenced in clause (1) of the definition of "Permitted Holdings Distributions" and therefore the remaining maximum amount that may be distributed by Borrowers to Holdings pursuant to such clause (1) is Zero (\$0.00). In the event that Borrowers effect such distribution in the form of a dividend, any such dividend shall be subject to the limitations set forth in the definition of "Permitted Holdings Distributions" and, pursuant to the definition of "Fixed Charge Coverage Ratio", shall not be included within the computation of the Fixed Charge Coverage Ratio.

**Section 4** Representations, Warranties and Covenants of Borrowers

Each Borrower hereby represents and warrants to and covenants with the Agent and the Lenders that:

(a) such Borrower reaffirms all representations and warranties made to Agent and Lenders under the Loan Agreement and all of the Other Documents (as described and defined in the Loan Agreement) and confirms that after giving effect to this Amendment all are true and correct in all material respects as of the date hereof (except to the extent any such representations and warranties specifically relate to a specific date, in which case such representations and warranties were true and correct in all material respects on and as of such other specific date);

(b) such Borrower reaffirms all of the covenants contained in the Loan Agreement (as amended hereby) (including without limitation, all covenants to pay fees, costs and expenses contained therein), covenants to abide thereby until all Advances, Obligations and other liabilities of Borrowers to Agent and Lenders under the Loan Agreement of whatever nature and whenever incurred, are satisfied and/or released by Agent and Lenders (other than contingent indemnification obligations which survive termination of the Loan Agreement);

(c) no Default or Event of Default has occurred and is continuing under the Loan Agreement or the Other Documents (as described and defined in the Loan Agreement);

(d) such Borrower has the authority and legal right to execute, deliver and carry out the terms of this Amendment and the Note (as defined below), that such actions were duly authorized by all necessary limited liability company or corporate action, as applicable, and that the officer executing this Amendment and the Notes on its behalf was similarly authorized and empowered, and that this Amendment and the Notes does not contravene any provisions of its certificate of incorporation or formation, operating agreement, bylaws, or other formation documents, as applicable, or of any material contract or agreement to which it is a party or by which any of its properties are bound; and

(e) this Amendment, the Notes, and all assignments, instruments, documents, and agreements executed and delivered in connection herewith, are valid, binding and enforceable in accordance with their respective terms, except as such enforceability may be limited by any applicable bankruptcy, insolvency, moratorium or similar laws affecting creditors' rights generally.

**Section 5**      **Conditions Precedent/Effectiveness Conditions**

This Amendment shall be effective upon the date of satisfaction of all of the following conditions precedent (the "Effective Date");

- (a) Agent shall have received this Amendment fully executed by the Borrowers;
- (b) Agent shall have received a term note in the amount of \$6,000,000 executed by Borrowers in favor of PNC ("Term Note A");
- (c) Agent shall have received a copy of the resolutions in form and substance reasonably satisfactory to Agent, of the Board of Directors of each Borrower authorizing the execution, delivery and performance of this Amendment and the Notes, certified by the Secretary of such Borrower, together with a certification as to the incumbency signatures of each person signing such documents on behalf of Borrowers;
- (d) Agent shall have received a non-refundable amendment fee in the amount of \$30,000 which shall be fully earned as of the Sixth Amendment Effective Date;
- (e) Agent shall have received a copy of the AT&T contract maturity extension; and
- (f) No Default or Event of Default shall have occurred and be continuing under the Loan Agreement.

**Section 6**      **Post Closing**

(a) Agent shall have received the results of updated UCC, tax lien, and judgment searches against each of the Borrowers within thirty (30) days from the Sixth Amendment Effective Date;

(b) (i) Within thirty (30) days from the Sixth Amendment Effective Date, Borrowers shall have entered into a Lender-Provided Interest Rate Hedge in an amount not less than fifty percent (50%) of Term Loan A; and (ii) within thirty (30) days from the date Term Loan B is funded, Borrowers shall have entered into a Lender-Provided Interest Rate Hedge in an amount not less than fifty percent (50%) of Term Loan B.

**Section 7**      **Further Assurances**

Each Borrower hereby agrees to take all such actions and to execute and/or deliver to Agent and Lenders all such documents, assignments, financing statements and other documents, as Agent and Lenders may reasonably require from time to time, to effectuate and implement the purposes of this Amendment.

**Section 8**      **Payment of Expenses**

Borrowers shall pay or reimburse Agent and Lenders for their reasonable fees of external counsel and other expenses in connection with the preparation, negotiation and execution of this Amendment and the documents provided for herein or related hereto.

**Section 9      Reaffirmation of Loan Agreement**

Except as modified by the terms hereof, all of the terms and conditions of the Loan Agreement, as amended, are hereby reaffirmed and shall continue in full force and effect as therein written.

**Section 10      Miscellaneous**

(a)      Third Party Rights. No rights are intended to be created hereunder for the benefit of any third party donee, creditor, or incidental beneficiary.

(b)      Headings. The headings of any paragraph of this Amendment are for convenience only and shall not be used to interpret any provision hereof.

(c)      Modifications. No modification hereof or any agreement referred to herein shall be binding or enforceable unless in writing and signed on behalf of the party against whom enforcement is sought.

(d)      Governing Law. The terms and conditions of this Amendment shall, in accordance with Section 5-1401 of the General Obligations Law of the State of New York, be governed by the laws of the State of New York without regard to any conflicts of laws principles.

(e)      Counterparts. This Amendment may be executed in any number of and by different parties hereto on separate counterparts, all of which, when so executed, shall be deemed an original, but all such counterparts shall constitute one and the same agreement. Any signature delivered by a party by facsimile or pdf transmission shall be deemed to be an original signature hereto.

*[signature page follows]*



IN WITNESS WHEREOF, the parties have caused this Amendment to be executed and delivered by their duly authorized officers as of the date first above written.

**BORROWERS:**

**TRG CUSTOMER SOLUTIONS, INC.**  
**d/b/a IBEX Global**

By: /s/ Robert T. Dechant  
Name: Robert T. Dechant  
Title: Chief Executive Officer

**PNC BANK, NATIONAL ASSOCIATION**  
as Lender and as Agent

By: /s/ Patrick Cornell  
Patrick Cornell, Vice President

Revolving Commitment Percentage: 100%  
Equipment Loan Commitment Percentage: 100%  
Term Loan Commitment Percentage: 100%  
Revolving Commitment Amount \$40,000,000  
Equipment Loan Commitment Amount: \$3,000,000  
Term Loan Commitment Amount: \$10,000,000

[SIGNATURE PAGE TO SIXTH AMENDMENT TO  
REVOLVING CREDIT AND SECURITY AGREEMENT]

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**SEVENTH AMENDMENT TO  
REVOLVING CREDIT AND SECURITY AGREEMENT**

This Seventh Amendment to Revolving Credit and Security Agreement (this "Amendment") is made as of this 7th day of November, 2016, by and among TRG CUSTOMER SOLUTIONS, INC. d/b/a IBEX Global Solutions ("IBEX"), together with any Person joined to the Loan Agreement as a borrower, collectively the "Borrowers", the financial institutions which are now or which hereafter become party to the Loan Agreement as lenders (collectively, the "Lenders"), and PNC BANK, NATIONAL ASSOCIATION ("PNC"), as agent for Lenders (PNC, in such capacity, the "Agent") and as a Lender.

**BACKGROUND**

A. On November 8, 2013, Borrowers, Lenders and PNC as a Lender and as Agent entered into that certain Revolving Credit and Security Agreement (as same has been or may be amended, restated, modified, renewed, extended, replaced or substituted from time to time, the "Loan Agreement") to reflect certain financing arrangements between the parties thereto. All capitalized terms not otherwise defined herein shall have the meaning ascribed thereto in the Loan Agreement.

B. Borrowers have requested that Agent and Lenders modify certain definitions, terms and conditions in the Loan Agreement, and Agent and Lenders are willing to do so on the terms and conditions hereafter set forth.

NOW THEREFORE, with the foregoing background hereinafter deemed incorporated by reference herein and made part hereof, the parties hereto, intending to be legally bound, promise and agree as follows:

**Section 1** Amendments to Loan Agreement. On the Effective Date (as defined below):

(a) New Definitions. The following defined terms shall be added to Section 1.2 of the Loan Agreement in the proper alphabetical order:

"Seventh Amendment" shall mean that certain Seventh Amendment to Revolving Credit and Security Agreement, dated as of the Seventh Amendment Date, by and among Borrowers, Lenders and Agent.

"Seventh Amendment Date" shall mean November 7, 2016.

"Seventh Amendment Effective Date" shall mean the "Effective Date" as defined in the Seventh Amendment.

"Special Reserve" shall mean a reserve in the amount of \$5,000,000, provided, that, upon the delivery of Borrowers' financial statements to Agent pursuant to Section 9.7, 9.8 or 9.9, as applicable, such amount shall be reduced to (x) \$2,000,000, if such financial statements evidence that Borrowers' EBITDA for the twelve months then ending is not less than \$15,500,000 and (y) \$0, if such financial statements evidence that Borrowers' EBITDA for the twelve months then ending is not less than \$17,500,000, in each case, so long as (i) the Compliance Certificate accompanying such financial statements certifies that no Default or Event of Default exists and (ii) Borrowers' Average Undrawn Availability for the thirty (30) day period immediately preceding the date of such proposed reduction shall be no less than \$5,000,000.

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(b) **Definitions.** The following defined terms contained in Section 1.2 of the Loan Agreement shall be amended and restated in their entirety as follows:

“**Applicable Margin**” shall mean (a) an amount equal to negative one half of one percent (-0.50%) for (i) Revolving Advances consisting of Domestic Rate Loans, and (ii) Swing Loans, (b) an amount equal to one and three quarters of one percent (1.75%) for Revolving Advances consisting of LIBOR Rate Loans, (c) an amount equal to one and one half of one percent (1.50%) for Equipment Loans consisting of Domestic Rate Loans, (d) an amount equal to three and one quarter of one percent (3.25%) for Equipment Loans consisting of LIBOR Rate Loans, (e) an amount equal to two percent (2.0%) for Term Loans consisting of Domestic Rate Loans, and (f) an amount equal to four percent (4.0%) for Term Loans consisting of LIBOR Rate Loans.

“**Capital Expenditures Indebtedness**” shall mean an amount not to exceed (i) \$5,000,000 during each of Borrowers’ 2016 and 2017 fiscal years to finance Capital Expenditures, and (ii) \$7,500,000 during each fiscal year of Borrowers thereafter to finance Capital Expenditures.

“**Debt Payments**” shall mean for any period, in each case, all cash actually expended by any Borrower to make: (a) interest payments on any Advances hereunder, **plus** (b) scheduled principal payments on the Equipment Loans **plus** (c) scheduled principal payments on Term Loan C **plus** (d) payments on Capitalized Lease Obligations, **plus** (e) payments with respect to any other Indebtedness for borrowed money (other than principal payments on Term Loan A and Term Loan B).

“**Fixed Charge Coverage Ratio**” shall mean, with respect to any fiscal period, the ratio of (a) EBITDA, **minus** Unfunded Capital Expenditures made by any Borrower during such period, **minus** distributions (including tax distributions but excluding (i) Permitted Holdings Distributions of \$11,500,000 paid through June 30, 2016 and (ii) solely to the extent funded by the proceeds of Term Loan C, and upon Agent’s receipt of satisfactory evidence, in its Permitted Discretion, that such proceeds have been expended on Capital Expenditures, Permitted Holdings Capital Expenditure Distributions), dividends and cash Royalty Payments made by any Borrower during such period, **minus** cash taxes paid by any Borrower during such period to (b) all Debt Payments made by any Borrower during such period.

“**Maximum Loan Amount**” shall mean \$59,000,000, plus any increase in accordance with Section 2.24.

“**Maximum Revolving Advance Amount**” shall mean \$40,000,000, plus any increases in accordance with Section 2.24.

"Permitted Holdings Capital Expenditure Distributions" shall mean a distribution to Holdings from time to time for the purpose of funding Capital Expenditures of an amount not to exceed, in the aggregate, the lesser of \$16,000,000 and the actual aggregate principal amount of the funded Term Loans pursuant to Section 2.3.1, upon satisfaction of the following conditions: (a) both before and after giving pro-forma effect to any such distribution (i) no Default or Event of Default shall exist or will exist, (ii) no Springing Covenant Event shall have occurred or would exist, and (iii) Borrowers shall have complied with the covenant in Section 6.5 (Fixed Charge Coverage Ratio), and (b) prior to any such distribution, Borrowers shall deliver to Agent, notice of such proposed distribution together with calculations that show compliance with the foregoing requirements and such supporting documentation as Agent shall reasonably request, including but not limited to, invoices detailing the proposed Capital Expenditure. Upon Borrowers satisfying these conditions, Agent agrees not to unreasonably withhold its consent to the distributions to Holdings.

"Permitted Holdings Distributions" shall mean a distribution to Holdings from time to time of an amount not to exceed in the aggregate (1) funds in an amount equal to \$11,500,000 provided to a Borrower by Holdings on or prior to the Closing Date, and (2) funds provided after the Closing Date to a Borrower by Holdings as working capital or as a capital contribution and not on account of any services provided by any Borrower, upon satisfaction of the following conditions: (a) Borrowers shall have complied with the covenant in Section 6.15(c) and (b) both before and after giving pro-forma effect to any such distribution (i) no Default or Event of Default shall exist or will exist, (ii) no Springing Covenant Event shall have occurred or would exist, and (iii) Borrowers shall have complied with the covenant in Section 6.5 (Fixed Charge Coverage Ratio). For purposes of calculating the amount that may be distributed at any time hereunder, all distributions will be deemed distributed on account of the amounts permitted under subsection (1) above until such time that the full amount of the funds provided to Borrowers by Holdings prior to the Closing Date has been returned, which as of the Sixth Amendment Effective Date, Borrowers acknowledge have been fully paid and satisfied, and thereafter such amounts shall be deemed distributed on account of subsection (2) above. From and after the Seventh Amendment Effective Date, upon the satisfaction of the conditions set forth in clause (b) above, distributions may be made, together with Permitted Royalty Payments, in an aggregate amount as follows: (x) in fiscal year ending June 30, 2016, up to \$7,900,000 (excluding \$6,500,000 distributed prior to the Seventh Amendment Effective Date) and (y) in fiscal year ending June 30, 2017, up to \$4,000,000 (provided that no more than \$2,000,000 shall be paid prior to January 1, 2017) plus, to the extent Excess Cash Flow exceeds \$4,000,000 in fiscal year ending June 30, 2017, an amount up to fifty percent (50%) of Excess Cash Flow in excess of \$4,000,000, provided, however, for purposes of calculating the amount of distributions that may be permitted in (x) and (y) above, at such time as the aggregate principal amount of all Term Loans is less than \$8,000,000, the Excess Cash Flow limitation shall not apply, and at such time as there are no outstanding Term Loans, neither the Excess Cash Flow limitation or clause (b)(iii) above shall apply.

(c) **Formula Amount.** Section 2.1 of the Loan Agreement shall be amended by amending and restating Section 2.1(a)(iv) as follows:

“(iv) such reserves including without limitation, the Special Reserve, as Agent may in its Permitted Discretion deem necessary from time to time.

(d) **Term Loans.** Section 2.3.1 of the Loan Agreement shall be amended and restated as follows:

2.3.1 **Term Loans.** Subject to the terms and conditions of this Agreement, each Lender, severally and not jointly, shall, from time to time, make available Advances to one or more Borrowers (each, a “**Term Loan**” and collectively, the “**Term Loans**”) in an amount equal to such Lender’s Term Loan Commitment Percentage of the applicable Term Loan.

(a) A Term Loan shall be advanced on or within two (2) Business Days after the Sixth Amendment Effective Date in an amount equal to \$6,000,000 but in no event greater than such Lender’s Term Loan Commitment (“**Term Loan A**”). Term Loan A shall be, with respect to principal, payable as follows, subject to acceleration upon the occurrence of an Event of Default under this Agreement or termination of this Agreement: (i) thirty six (36) consecutive monthly payments in the amount of \$166,666.66 commencing July 1, 2016 and continuing on the first day of each month thereafter with the final installment to include all unpaid principal, accrued and unpaid interest and all unpaid fees, costs and expenses related thereto. Term Loan A shall be evidenced by a secured promissory note (“**Term Note A**”) in substantially the form attached hereto as **Exhibit 2.3.1**. Term Loan A may consist of a Domestic Rate Loan or LIBOR Rate Loan, or a combination thereof, as Borrowing Agent may request. In the event that Borrowers desire to obtain or extend a LIBOR Rate Loan or to convert a Domestic Rate Loan to a LIBOR Rate Loan, Borrowing Agent shall comply with the notification requirements set forth in Sections 2.2(b) and (d) and the provisions of Sections 2.2(b) through (g) shall apply.

(b) Subject to the terms and conditions set forth in clause 2.3.1(c) below, a Term Loan shall be advanced in an amount equal to \$4,000,000 but in no event greater than such Lender’s Term Loan Commitment (“**Term Loan B**”). Term Loan B shall be, with respect to principal, payable as follows, subject to acceleration upon the occurrence of an Event of Default under this Agreement or termination of this Agreement: (i) thirty six (36) consecutive monthly payments in the amount of \$111,111.11 commencing on the first day of the month following the funding of Term Loan B and continuing on the first day of each month thereafter, with the final installment to include all unpaid principal, accrued and unpaid interest and all unpaid fees, costs and expenses related thereto. Term Loan B shall be evidenced by a secured promissory note (“**Term Note B**”) in substantially the form attached hereto as **Exhibit 2.3.1**. Term Loan B may consist of a Domestic Rate Loan or LIBOR Rate Loan, or a combination thereof, as Borrowing Agent may request. In the event that Borrowers desire to obtain or extend a LIBOR Rate Loan

or to convert a Domestic Rate Loan to a LIBOR Rate Loan, Borrowing Agent shall comply with the notification requirements set forth in Sections 2.2(b) and (d) and the provisions of Sections 2.2(b) through (g) shall apply.

(c) Conditions to making Term Loan B. As of the Seventh Amendment Effective Date, it is agreed and acknowledged that Term Loan B has not, and will not, be advanced, and Term Note B shall be, and is hereby cancelled. Upon Borrowers' request, Term Note B shall be returned to Borrowers marked "Cancelled".

(d) A Term Loan shall be advanced on or within two (2) Business Days after the Seventh Amendment Effective Date in an amount equal to \$16,000,000 but in no event greater than such Lender's Term Loan Commitment ("Term Loan C"). Term Loan C shall be, with respect to principal, payable as follows, subject to acceleration upon the occurrence of an Event of Default under this Agreement or termination of this Agreement: (i) fifty four (54) consecutive monthly payments in the amount of \$296,296.30 commencing January 1, 2017 and continuing on the first day of each month thereafter with the final installment to include all unpaid principal, accrued and unpaid interest and all unpaid fees, costs and expenses related thereto. Term Loan C shall be evidenced by a secured promissory note ("Term Note C") in substantially the form attached hereto as Exhibit 2.3.1. Term Loan C may consist of a Domestic Rate Loan or LIBOR Rate Loan, or a combination thereof, as Borrowing Agent may request. In the event that Borrowers desire to obtain or extend a LIBOR Rate Loan or to convert a Domestic Rate Loan to a LIBOR Rate Loan, Borrowing Agent shall comply with the notification requirements set forth in Sections 2.2(b) and (d) and the provisions of Sections 2.2(b) through (g) shall apply.

(e) The proceeds of Term Loan C shall be applied first to repay the remaining balance of Term Loan A in full, including all unpaid principal, accrued and unpaid interest and all unpaid fees, costs and expenses related thereto, and the remaining balance to be advanced to Borrowers. Upon payment in full of Term Loan A, (i) Borrowers shall have no obligation to be party to any Lender-Provided Interest Rate Hedge Agreement with respect to Term Loan A and (ii) upon Borrower's request, Term Note A shall be returned to Borrowers marked "Paid in Full".

(e) Fixed Charge Coverage Ratio. Section 6.5 of the Loan Agreement shall be amended and restated in its entirety as follows:

6.5 Fixed Charge Coverage Ratio. Upon the occurrence of any Springing Covenant Event and until the occurrence of a Springing Termination Event, cause to be maintained as of the end of each fiscal quarter, a Fixed Charge Coverage Ratio of not less than 1.00 to 1.00, measured on a rolling four (4) quarter basis, except as set forth below. For the avoidance of doubt, upon the occurrence of a Springing Covenant Event, the Fixed Charge Coverage Ratio shall be tested for the immediately preceding fiscal quarter. From and after the Seventh Amendment Effective Date, for purposes of calculating the Fixed Charge Coverage

Ratio, the Fixed Charge Coverage Ratio shall be measured on (a) the trailing six (6) months for the period ending December 31, 2016, (b) the trailing (9) months for the period ending March 31, 2017, (c) the trailing twelve (12) months for the period ending June 30, 2017, and (d) a rolling four (4) quarter basis for each fiscal quarter ending thereafter.

(f) **Capital Expenditures.** Section 7.6 of the Loan Agreement shall be amended and restated in its entirety as follows:

7.6 **Capital Expenditures.** Upon the occurrence of any Springing Covenant Event in any fiscal year, contract for, purchase or make any expenditure or commitments for Capital Expenditures (i) for the fiscal years ending June 30, 2016 and June 30, 2017, to the extent such Springing Covenant Event occurred in such fiscal year, in an aggregate amount for all Borrowers in excess of \$5,000,000 (including the aggregate amount of Capital Expenditures Indebtedness), or (ii) in any fiscal year thereafter, with respect to the fiscal year in which the Springing Covenant Event occurred, in an aggregate amount for all Borrowers in excess of \$7,500,000 (including the aggregate amount of Capital Expenditures Indebtedness).

(g) **Term.** Section 13.1 of the Loan Agreement shall be amended and restated in its entirety as follows:

13.1 **Term.** This Agreement, which shall inure to the benefit of and shall be binding upon the respective successors and permitted assigns of each Borrower, Agent and each Lender, shall become effective on the date hereof and shall continue in full force and effect until May 1, 2020 (the "Term") unless sooner terminated as herein provided. Borrowers may terminate this Agreement at any time upon sixty (60) days prior written notice to Agent upon payment in full of the Obligations. In the event the Obligations are prepaid in full (whether voluntary or involuntary, including after acceleration thereof) and this Agreement is terminated prior to the last day of the Term (the date of such prepayment hereinafter referred to as the "Early Termination Date"), Borrowers shall concurrently pay to Agent for the benefit of Lenders an early termination fee in an amount equal to (x) one half of one percent (0.50%) of the Maximum Loan Amount if the Early Termination Date occurs on or after the Seventh Amendment Date to and including May 1, 2018, (y) one quarter of one percent (0.25%) of the Maximum Loan Amount if the Early Termination Date occurs on or after May 2, 2018 to and including May 1, 2019, and (z) zero percent (0.00%) of the Maximum Loan Amount if the Early Termination Date occurs on or after the date immediately following such date; provided, however, that if the Obligations are prepaid in full in connection with a refinancing provided by a division of PNC, no early termination fee shall be due upon the Early Termination Date.

**Section 2**      **Representations, Warranties and Covenants of Borrowers**

Each Borrower hereby represents and warrants to and covenants with the Agent and the Lenders that:

- (a) such Borrower reaffirms all representations and warranties made to Agent and Lenders under the Loan Agreement and all of the Other Documents (as described and defined in the Loan Agreement) and confirms that after giving effect to this Amendment all are true and correct in all material respects as of the date hereof (except to the extent any such representations and warranties specifically relate to a specific date, in which case such representations and warranties were true and correct in all material respects on and as of such other specific date);
- (b) such Borrower reaffirms all of the covenants contained in the Loan Agreement (as amended hereby) (including without limitation, all covenants to pay fees, costs and expenses contained therein), covenants to abide thereby until all Advances, Obligations and other liabilities of Borrowers to Agent and Lenders under the Loan Agreement of whatever nature and whenever incurred, are satisfied and/or released by Agent and Lenders (other than contingent indemnification obligations which survive termination of the Loan Agreement);
- (c) no Default or Event of Default has occurred and is continuing under the Loan Agreement or the Other Documents (as described and defined in the Loan Agreement);
- (d) such Borrower has the authority and legal right to execute, deliver and carry out the terms of this Amendment and the Notes (as defined below), that such actions were duly authorized by all necessary limited liability company or corporate action, as applicable, and that the officer executing this Amendment and the Notes on its behalf was similarly authorized and empowered, and that this Amendment and the Notes does not contravene any provisions of its certificate of incorporation or formation, operating agreement, bylaws, or other formation documents, as applicable, or of any material contract or agreement to which it is a party or by which any of its properties are bound; and
- (e) this Amendment, the Notes, and all assignments, instruments, documents, and agreements executed and delivered in connection herewith, are valid, binding and enforceable in accordance with their respective terms, except as such enforceability may be limited by any applicable bankruptcy, insolvency, moratorium or similar laws affecting creditors' rights generally.

**Section 3**      **Amendment Fee**

In consideration of entering into this Amendment, Borrowers agree to pay to Agent, for the ratable benefit of itself and each Lender, an amendment fee in the amount of \$50,000.00 (the "**Total Amendment Fee**"), which fee shall be fully earned in full on the Seventh Amendment Effective Date and shall not be subject to rebate or proration upon termination of the Credit Agreement for any reason. The Total Amendment Fee shall be due and payable as follows: (i) \$25,000 of the Total Amendment Fee shall be due and payable on the Seventh Amendment Effective Date (the "**Amendment Closing Fee**"), (ii) \$15,000 of the Total Amendment Fee shall be due and payable on the date the Special Reserve is reduced to \$2,000,000 or \$0; and (iii) \$10,000 of the Total Amendment Fee shall be due and payable on the date the Special Reserve is reduced to \$0; provided, that, notwithstanding the foregoing, the amounts set forth in clauses (ii) and (iii) shall be due and payable no later than June 30, 2017. For the avoidance of doubt, if on the date the Special Reserve is reduced to \$0 and the amount set forth in clause (ii) of the immediately preceding sentence has not been paid, such amount shall be due and payable on such date.



**Section 4**      **Conditions Precedent/Effectiveness Conditions**

This Amendment shall be effective upon the date of satisfaction of all of the following conditions precedent (the "Effective Date"):

- (a) Agent shall have received this Amendment fully executed by the Borrowers;
- (b) Agent shall have received a term note in the amount of \$16,000,000 executed by Borrowers in favor of PNC ("Term Note C");
- (c) Agent shall have received a copy of the resolutions in form and substance reasonably satisfactory to Agent, of the Board of Directors of each Borrower authorizing the execution, delivery and performance of this Amendment and the Notes, certified by the Secretary of such Borrower, together with a certification as to the incumbency signatures of each person signing such documents on behalf of Borrowers;
- (d) Agent shall have received the Amendment Closing Fee; and
- (e) No Default or Event of Default shall have occurred and be continuing under the Loan Agreement.

**Section 5**      **Further Assurances**

Each Borrower hereby agrees to take all such actions and to execute and/or deliver to Agent and Lenders all such documents, assignments, financing statements and other documents, as Agent and Lenders may reasonably require from time to time, to effectuate and implement the purposes of this Amendment.

**Section 6**      **Payment of Expenses**

Borrowers shall pay or reimburse Agent and Lenders for their reasonable fees of external counsel and other expenses in connection with the preparation, negotiation and execution of this Amendment and the documents provided for herein or related hereto.

**Section 7**      **Reaffirmation of Loan Agreement**

Except as modified by the terms hereof, all of the terms and conditions of the Loan Agreement, as amended, are hereby reaffirmed and shall continue in full force and effect as therein written.

**Section 8**      **Miscellaneous**

- (a) Third Party Rights. No rights are intended to be created hereunder for the benefit of any third party donee, creditor, or incidental beneficiary.
- (b) Headings. The headings of any paragraph of this Amendment are for convenience only and shall not be used to interpret any provision hereof.
- (c) Modifications. No modification hereof or any agreement referred to herein shall be binding or enforceable unless in writing and signed on behalf of the party against whom enforcement is sought.
- (d) Governing Law. The terms and conditions of this Amendment shall, in accordance with Section 5-1401 of the General Obligations Law of the State of New York, be governed by the laws of the State of New York without regard to any conflicts of laws principles.

(e) Counterparts. This Amendment may be executed in any number of and by different parties hereto on separate counterparts, all of which, when so executed, shall be deemed an original, but all such counterparts shall constitute one and the same agreement. Any signature delivered by a party by facsimile or pdf transmission shall be deemed to be an original signature hereto.

*[signature page follows]*

IN WITNESS WHEREOF, the parties have caused this amendment to be executed and delivered by duly authorized officers as of the date first above written.

**BORROWERS:**

**TRG CUSTOMER SOLUTIONS, INC.**  
**d/b/a IBEX Global Solutions**

By: /s/Robert T. Dechant  
Robert T. Dechant  
Chief Executive Officer

**[SIGNATURE PAGE TO SEVENTH AMENDMENT TO  
REVOLVING CREDIT AND SECURITY AGREEMENT]**

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**PNC BANK, NATIONAL ASSOCIATION**  
as Lender and as Agent

By: /s/ Jacqueline Mackenzie  
Jacqueline Mackenzie  
Vice President

Revolving Commitment Percentage: 100%  
Equipment Loan Commitment Percentage: 100%  
Term Loan Commitment Percentage: 100%  
Revolving Commitment Amount: \$40,000,000  
Equipment Loan Commitment Amount: \$ 3,000,000  
Term Loan Commitment Amount: \$16,000,000

**[SIGNATURE PAGE TO SEVENTH AMENDMENT TO  
REVOLVING CREDIT AND SECURITY AGREEMENT]**

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**EIGHTH AMENDMENT TO  
REVOLVING CREDIT AND SECURITY AGREEMENT**

This Eighth Amendment to Revolving Credit and Security Agreement (this "Amendment") is made as of this 18th day of November, 2016, by and among TRG CUSTOMER SOLUTIONS, INC. d/b/a IBEX Global Solutions ("IBEX"), together with any Person joined to the Loan Agreement as a borrower, collectively the "Borrowers"), the financial institutions which are now or which hereafter become party to the Loan Agreement as lenders (collectively, the "Lenders"), and PNC BANK, NATIONAL ASSOCIATION ("PNC"), as agent for Lenders (PNC, in such capacity, the "Agent") and as a Lender.

**BACKGROUND**

A. On November 8, 2013, Borrowers, Lenders and PNC as a Lender and as Agent entered into that certain Revolving Credit and Security Agreement (as same has been or may be amended, restated, modified, renewed, extended, replaced or substituted from time to time, the "Loan Agreement") to reflect certain financing arrangements between the parties thereto. All capitalized terms not otherwise defined herein shall have the meaning ascribed thereto in the Loan Agreement.

B. Holdings and India Bidco Limited, a Bermuda corporation ("Bidco") have reached a cash offer agreement, pursuant to which Bidco shall seek to acquire all of the outstanding Equity Interests of Holdings (other than the Equity Interests owned by The Resource Group International Limited, a Bermuda corporation ("TRGI"). In the event that Bidco and TRGI acquire, collectively, not less than seventy-five percent (75%) of the outstanding Equity Interests of Holdings, Bidco and TRGI shall seek to delist the Equity Interests from the London Stock Exchange (the "Delisting").

C. Borrowers have requested that Agent and Lenders modify certain definitions, terms and conditions in the Loan Agreement, and Agent and Lenders are willing to do so on the terms and conditions hereafter set forth.

NOW THEREFORE, with the foregoing background hereinafter deemed incorporated by reference herein and made part hereof, the parties hereto, intending to be legally bound, promise and agree as follows:

**Section 1** Amendments to Loan Agreement. On the Effective Date (as defined below):

(a) New Definitions. The following defined terms shall be added to Section 1.2 of the Loan Agreement in the proper alphabetical order:

"Eighth Amendment" shall mean that certain Eighth Amendment to Revolving Credit and Security Agreement, dated as of the Eighth Amendment Date, by and among Borrowers, Lenders and Agent.

"Eighth Amendment Date" shall mean November 18, 2016.

"Eighth Amendment Effective Date" shall mean the "Effective Date" as defined in the Eighth Amendment.

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(b) **Definitions.** The following defined term contained in Section 1.2 of the Loan Agreement shall be amended and restated in its entirety as follows:

“**Change of Control**” shall mean (a) the occurrence of any event (whether in one or more transactions) which results in Holdings failing to own ninety nine percent (99%) of the Equity Interests (on a fully diluted basis) of TRG Philippines Inc., IBEX Global Solutions Nicaragua SA, IBEX Global St. Lucia Limited or any other Subsidiary providing services that are material to any Borrower’s operations or business, (b) the occurrence of any event (whether in one or more transactions) which results in IBEX Global St. Lucia Limited failing to own one hundred percent (100%) of the Equity Interests (on a fully diluted basis) of IBEX Global Jamaica Limited or (c) the occurrence of any event (whether in one or more transactions) which results in Holdings failing to own one hundred percent (100%) of the Equity Interests (on a fully diluted basis) of any Borrower.

**Section 2            Representations, Warranties and Covenants of Borrowers**

Each Borrower hereby represents and warrants to and covenants with the Agent and the Lenders that:

- (a) such Borrower reaffirms all representations and warranties made to Agent and Lenders under the Loan Agreement and all of the Other Documents (as described and defined in the Loan Agreement) and confirms that after giving effect to this Amendment all are true and correct in all material respects as of the date hereof (except to the extent any such representations and warranties specifically relate to a specific date, in which case such representations and warranties were true and correct in all material respects on and as of such other specific date);
- (b) such Borrower reaffirms all of the covenants contained in the Loan Agreement (as amended hereby) (including without limitation, all covenants to pay fees, costs and expenses contained therein), covenants to abide thereby until all Advances, Obligations and other liabilities of Borrowers to Agent and Lenders under the Loan Agreement of whatever nature and whenever incurred, are satisfied and/or released by Agent and Lenders (other than contingent indemnification obligations which survive termination of the Loan Agreement);
- (c) no Default or Event of Default has occurred and is continuing under the Loan Agreement or the Other Documents (as described and defined in the Loan Agreement);
- (d) such Borrower has the authority and legal right to execute, deliver and carry out the terms of this Amendment and the Notes (as defined below), that such actions were duly authorized by all necessary limited liability company or corporate action, as applicable, and that the officer executing this Amendment and the Notes on its behalf was similarly authorized and empowered, and that this Amendment and the Notes does not contravene any provisions of its certificate of incorporation or formation, operating agreement, bylaws, or other formation documents, as applicable, or of any material contract or agreement to which it is a party or by which any of its properties are bound; and
- (e) this Amendment, the Notes, and all assignments, instruments, documents, and agreements executed and delivered in connection herewith, are valid, binding and enforceable in accordance with their respective terms, except as such enforceability may be limited by any applicable bankruptcy, insolvency, moratorium or similar laws affecting creditors’ rights generally.

**Section 3**            **Conditions Precedent/Effectiveness Conditions**

This Amendment shall be effective upon the date of satisfaction of all of the following conditions precedent (the "Effective Date"):

- (a) Agent shall have received this Amendment fully executed by the Borrowers;
- (b) Agent shall have received an incumbency certificate for each Borrower identifying all authorized officers with specimen signatures, certified by the Secretary of such Borrower;
- (c) Agent shall have received reasonably satisfactory evidence that the Delisting shall be consummated; and
- (d) No Default or Event of Default shall have occurred and be continuing under the Loan Agreement.

**Section 4**            **Further Assurances**

Each Borrower hereby agrees to take all such actions and to execute and/or deliver to Agent and Lenders all such documents, assignments, financing statements and other documents, as Agent and Lenders may reasonably require from time to time, to effectuate and implement the purposes of this Amendment.

**Section 5**            **Payment of Expenses**

Borrowers shall pay or reimburse Agent and Lenders for their reasonable fees of external counsel and other expenses in connection with the preparation, negotiation and execution of this Amendment and the documents provided for herein or related hereto.

**Section 6**            **Reaffirmation of Loan Agreement**

Except as modified by the terms hereof, all of the terms and conditions of the Loan Agreement, as amended, are hereby reaffirmed and shall continue in full force and effect as therein written.

**Section 7**            **Miscellaneous**

- (a) Third Party Rights. No rights are intended to be created hereunder for the benefit of any third party donee, creditor, or incidental beneficiary.
- (b) Headings. The headings of any paragraph of this Amendment are for convenience only and shall not be used to interpret any provision hereof.
- (c) Modifications. No modification hereof or any agreement referred to herein shall be binding or enforceable unless in writing and signed on behalf of the party against whom enforcement is sought.
- (d) Governing Law. The terms and conditions of this Amendment shall, in accordance with Section 5-1401 of the General Obligations Law of the State of New York, be governed by the laws of the State of New York without regard to any conflicts of laws principles.
- (e) Counterparts. This Amendment may be executed in any number of and by different parties hereto on separate counterparts, all of which, when so executed, shall be deemed an original, but all such counterparts shall constitute one and the same agreement. Any signature delivered by a party by facsimile or pdf transmission shall be deemed to be an original signature hereto.





IN WITNESS WHEREOF, the parties have caused this Amendment to be executed and delivered by their duly authorized officers as of the date first above written.

**BORROWERS:**

**TRG CUSTOMER SOLUTIONS, INC.**  
**d/b/a IBEX Global Solutions**

By: /s/ Robert T. Dechant  
Robert T. Dechant  
Chief Executive Officer

[SIGNATURE PAGE TO EIGHTH AMENDMENT TO REVOLVING CREDIT AND SECURITY AGREEMENT]

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**PNC BANK, NATIONAL ASSOCIATION**  
as Lender and as Agent

By: /s/ Jacqueline MacKenzie  
Jacqueline MacKenzie,  
Vice President

Revolving Commitment Percentage: 100%  
Equipment Loan Commitment Percentage: 100%  
Term Loan Commitment Percentage: 100%  
Revolving Commitment Amount: \$40,000,000  
Equipment Loan Commitment Amount: \$3,000,000  
Term Loan Commitment Amount: \$16,000,000

[SIGNATURE PAGE TO EIGHTH AMENDMENT TO REVOLVING CREDIT AND SECURITY AGREEMENT]

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DIGITAL GLOBE SERVICES INC.  
TELSATONLINE INC.  
DGS EDU, LLC

HERITAGE BANK OF COMMERCE  
LOAN AND SECURITY AGREEMENT

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This **LOAN AND SECURITY AGREEMENT** is entered into as of March 31, 2015, by and between HERITAGE BANK OF COMMERCE (“Bank”) and DIGITAL GLOBE SERVICES INC., a Delaware corporation (“Digital”), and TELSATONLINE INC., a Delaware corporation (“TelSat”), and DGS EDU, LLC, a Delaware limited liability company (“DGS”) (Digital, TelSat, and DGS, each, a “Borrower”, and collectively, “Borrowers”).

## RECITALS

Borrowers wish to obtain credit from time to time from Bank, and Bank desires to extend credit to Borrowers. This Agreement sets forth the terms on which Bank will advance credit to Borrowers, and Borrowers will repay the amounts owing to Bank.

## AGREEMENT

The parties agree as follows:

### 1. DEFINITIONS AND CONSTRUCTION.

#### 1.1 Definitions. As used in this Agreement, the following terms shall have the following definitions:

“Accounts” means all presently existing and hereafter arising accounts, contract rights, payment intangibles, and all other forms of obligations owing to a Borrower arising out of the sale or lease of goods (including, without limitation, the licensing of software and other technology) or the rendering of services by a Borrower, whether or not earned by performance, and any and all credit insurance, guaranties, and other security therefor, as well as all merchandise returned to or reclaimed by a Borrower and such Borrower’s Books relating to any of the foregoing.

“Accrued Accounts” means those accounts that are un-billed and have accrued within the last 45 days or less, but would otherwise be Eligible Accounts.

“Adjusted EBITDA” means earnings before interest, taxes, depreciation and amortization expenses and excludes foreign exchange gains or losses, extraordinary items, non-cash Employee Stock Option Plan charges, warrants and non-recurring severance costs.

“Advance” or “Advances” means a cash advance or cash advances under the Revolving Facility.

“Affiliate” means, with respect to any Person, any Person that owns or controls directly or indirectly such Person, any Person that controls or is controlled by or is under common control with such Person, and each of such Person’s senior executive officers, directors, and partners.

“Bank Expenses” means all: reasonable costs or expenses (including reasonable attorneys’ fees and expenses) incurred in connection with the preparation, negotiation, administration, and enforcement of the Loan Documents; reasonable Collateral audit fees; and Bank’s reasonable attorneys’ fees and expenses incurred in amending, enforcing or defending the Loan Documents (including fees and expenses of appeal), incurred before, during and after an Insolvency Proceeding, whether or not suit is brought.

“Borrower’s Books” means all of a Borrower’s books and records including: ledgers; records concerning such Borrower’s assets or liabilities, the Collateral, business operations or financial condition; and all computer programs, or tape files, and the equipment, containing such information.

“Borrowing Base” means, as determined by Bank with reference to the most recent Borrowing Base Certificate delivered by Borrowers, (i) eighty percent (80%) of Eligible Accounts, plus (ii) sixty-five percent (65%) of Accrued Accounts.

“Business Day” means any day that is not a Saturday, Sunday, or other day on which banks in the State of California are authorized or required to close.

“Change in Control” shall mean a transaction in which any “person” or “group” (within the meaning of Section 13(d) and 14(d)(2) of the Securities Exchange Act of 1934) becomes the “beneficial owner” (as defined in Rule 13d-3 under the Securities Exchange Act of 1934), directly or indirectly, of a sufficient number of shares of all classes of stock then outstanding of a Borrower ordinarily entitled to vote in the election of directors, empowering such “person” or “group” to elect a majority of the Board of Directors of such Borrower, who did not have such power before such transaction.

“Closing Date” means the date of this Agreement.

“Code” means the California Uniform Commercial Code.

“Collateral” means the property described on **Exhibit A** attached hereto.

“Contingent Obligation” means, as applied to any Person, any direct or indirect liability, contingent or otherwise, of that Person with respect to (i) any indebtedness, lease, dividend, letter of credit or other obligation of another; (ii) any obligations with respect to undrawn letters of credit, corporate credit cards, or merchant services issued or provided for the account of that Person; and (iii) all obligations arising under any agreement or arrangement designed to protect such Person against fluctuation in interest rates, currency exchange rates or commodity prices; provided, however, that the term “Contingent Obligation” shall not include endorsements for collection or deposit in the ordinary course of business. The amount of any Contingent Obligation shall be deemed to be an amount equal to the stated or determined amount of the primary obligation in respect of which such Contingent Obligation is made or, if not stated or determinable, the maximum reasonably anticipated liability in respect thereof as determined by Bank in good faith; provided, however, that such amount shall not in any event exceed the maximum amount of the obligations under the guarantee or other support arrangement.

“Copyrights” means any and all copyright rights, copyright applications, copyright registrations and like protections in each work or authorship and derivative work thereof.

“Credit Extension” means each Advance or any other extension of credit by Bank for the benefit of Borrowers hereunder.

“Daily Balance” means the amount of the Obligations owed at the end of a given day.

“DGS Netherlands” means DGS Worldwide BV, an entity organized under the laws of the Netherlands.

“Eligible Accounts” means those Accounts that arise in the ordinary course of a Borrower’s business that comply with all of Borrowers’ representations and warranties to Bank set forth in Section 5.4; provided, that standards of eligibility may be fixed and revised from time to time by Bank in Bank’s reasonable judgment and upon notification thereof to Borrowers in accordance with the provisions hereof. Unless otherwise agreed to by Bank, Eligible Accounts shall not include the following:

- (a) Accounts that the account debtor has failed to pay within ninety (90) days of invoice date;
- (b) Accounts with respect to an account debtor, twenty-five percent (25%) of whose Accounts the account debtor has failed to pay within ninety (90) days of invoice date;
- (c) Accounts with respect to which the account debtor is an officer, employee, or agent of any Borrower;

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(d) Accounts with respect to which goods are placed on consignment, guaranteed sale, sale or return, sale on approval, bill and hold, demo or promotional, or other terms by reason of which the payment by the account debtor may be conditional;

(e) Accounts with respect to which the account debtor is an Affiliate of any Borrower;

(f) Accounts with respect to which the account debtor does not have its principal place of business in the United States, except for Eligible Foreign Accounts;

(g) Accounts with respect to which the account debtor is the United States or any department, agency, or instrumentality of the United States, except for Accounts of the United States if the payee has assigned its payment rights to Bank, the assignment has been acknowledged under the Assignment of Claims Act of 1940 (31 U.S.C. Section 3727), and such assignment otherwise complies with the Assignment of Claims Act to Bank's reasonable satisfaction in the exercise of its reasonable credit judgment;

(h) Accounts with respect to which a Borrower is liable to the account debtor for goods sold or services rendered by the account debtor to a Borrower or for deposits or other property of the account debtor held by a Borrower, but only to the extent of any amounts owing to the account debtor against amounts owed to such Borrower;

(i) Accounts with respect to an account debtor, including Subsidiaries and Affiliates, whose total obligations to Borrowers exceed thirty percent (30%) of all Accounts, to the extent such obligations exceed the aforementioned percentage, except as approved in writing by Bank;

(j) Accounts that have not yet been billed to the account debtor or that relate to deposits (such as good faith deposits) or other property of the account debtor held by a Borrower for the performance of services or delivery of goods which Borrowers have not yet performed or delivered;

(k) Prebillings, retention billings, progress billings or bonded receivables;

(l) Accounts with respect to which the account debtor disputes liability or makes any claim with respect thereto as to which Bank believes, in its sole discretion, that there may be a basis for dispute (but only to the extent of the amount subject to such dispute or claim), or is subject to any Insolvency Proceeding, or becomes insolvent, or goes out of business; and

(m) Accounts which Bank reasonably determines to be unsatisfactory for inclusion as an Eligible Account.

"Eligible Foreign Accounts" means Accounts with respect to which the account debtor does not have its principal place of business in the United States and that (i) are supported by one or more letters of credit in an amount and of a tenor, and issued by a financial institution, acceptable to Bank, (ii) covered in full by credit insurance satisfactory to Bank, less any deductible, or (iii) that Bank approves on a case-by-case basis.

"Equipment" means all present and future machinery, equipment, tenant improvements, furniture, fixtures, vehicles, tools, parts and attachments in which a Borrower has any interest.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended, and the regulations thereunder.

"Event of Default" has the meaning assigned in Section 8.

"GAAP" means generally accepted accounting principles as in effect from time to time.

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"Indebtedness" means (a) all indebtedness for borrowed money or the deferred purchase price of property or services, including without limitation reimbursement and other obligations with respect to surety bonds and letters of credit, (b) all obligations evidenced by notes, bonds, debentures or similar instruments, (c) all capital lease obligations and (d) all Contingent Obligations.

"Insolvency Proceeding" means any proceeding commenced by or against any person or entity under any provision of the United States Bankruptcy Code, as amended, or under any other bankruptcy or insolvency law, including assignments for the benefit of creditors, formal or informal moratoria, compositions, extension generally with its creditors, or proceedings seeking reorganization, arrangement, or other relief.

"Intellectual Property" means all of a Borrower's right, title, and interest in and to the following: Copyrights, Trademarks and Patents; all trade secrets, all design rights, claims for damages by way of past, present and future infringement of any of the rights included above, all licenses or other rights to use any of the Copyrights, Patents or Trademarks, and all license fees and royalties arising from such use to the extent permitted by such license or rights; all amendments, renewals and extensions of any of the Copyrights, Trademarks or Patents; and all proceeds and products of the foregoing, including without limitation all payments under insurance or any indemnity or warranty payable in respect of any of the foregoing.

"Inventory" means all inventory in which a Borrower has or acquires any interest, including work in process and finished products intended for sale or lease or to be furnished under a contract of service, of every kind and description now or at any time hereafter owned by or in the custody or possession, actual or constructive, of a Borrower, including such inventory as is temporarily out of its custody or possession or in transit and including any returns upon any accounts or other proceeds, including insurance proceeds, resulting from the sale or disposition of any of the foregoing and any documents of title representing any of the above, and such Borrower's Books relating to any of the foregoing.

"Investment" means any beneficial ownership of (including stock, partnership interest or other securities) any Person, or any loan, advance or capital contribution to any Person.

"IRC" means the Internal Revenue Code of 1986, as amended, and the regulations thereunder.

"Lien" means any mortgage, lien, deed of trust, charge, pledge, security interest or other encumbrance.

"Loan Documents" means, collectively, this Agreement, any note or notes executed by a Borrower, any guarantees by third parties, add documents and agreements listed in Section 3.1, and any other agreement entered into in connection with this Agreement, all as amended or extended from time to time.

"Material Adverse Effect" means a material adverse effect on (i) the business operations, condition (financial or otherwise) or prospects of Borrowers and their Subsidiaries taken as a whole or (ii) the ability of Borrowers to repay the Obligations or otherwise perform their obligations under the Loan Documents or (iii) the value or priority of Bank's security interests in the Collateral.

"Negotiable Collateral" means all letters of credit of which a Borrower is a beneficiary, notes, drafts, instruments, securities, documents of title, and chattel paper, and such Borrower's Books relating to any of the foregoing.

"Obligations" means all debt, principal, interest, Bank Expenses and other amounts owed to Bank by Borrowers pursuant to this Agreement or any other agreement, whether absolute or contingent, due or to become due, now existing or hereafter arising, including any interest that accrues after the commencement of an Insolvency Proceeding and including any debt, liability, or obligation owing from Borrowers to others that Bank may have obtained by assignment or otherwise.

"Parent" means Digital Globe Services, Ltd, an entity organized under the laws of Bermuda, and the ultimate parent entity of Borrowers.

“Patents” means all patents, patent applications and like protections including without limitation improvements, divisions, continuations, renewals, reissues, extensions and continuations-in-part of the same.

“Periodic Payments” means all installments or similar recurring payments that Borrowers may now or hereafter become obligated to pay to Bank pursuant to the terms and provisions of any instrument, or agreement now or hereafter in existence between Borrowers and Bank.

“Permitted Indebtedness” means:

- (a) Indebtedness of Borrowers in favor of Bank arising under this Agreement or any other Loan Document;
- (b) Indebtedness existing on the Closing Date and disclosed in the Schedule;
- (c) Indebtedness secured by a lien described in clause (c) of the defined term “Permitted Liens,” provided (i) such Indebtedness does not exceed the lesser of the cost or fair market value of the equipment financed with such Indebtedness and (ii) such Indebtedness does not exceed \$100,000 in the aggregate at any given time; and
- (d) Subordinated Debt.

“Permitted Investment” means:

- (a) Investments existing on the Closing Date disclosed in the Schedule; and
- (b) (i) marketable direct obligations issued or unconditionally guaranteed by the United States of America or any agency or any State thereof maturing within one (1) year from the date of acquisition thereof, (ii) commercial paper maturing no more than one (1) year from the date of creation thereof and currently having rating of at least A-2 or P-2 from either Standard & Poor’s Corporation or Moody’s Investors Service, (iii) certificates of deposit maturing no more than one (1) year from the date of investment therein issued by Bank and (iv) Bank’s money market accounts.

“Permitted Liens” means the following:

- (a) Any Liens existing on the Closing Date and disclosed in the Schedule or arising under this Agreement or the other Loan Documents;
- (b) Liens for taxes, fees, assessments or other governmental charges or levies, either not delinquent or being contested in good faith by appropriate proceedings, provided the same have no priority over any of Bank’s security interests;
- (c) Liens (i) upon or in any equipment which was not financed by Bank acquired or held by a Borrower or any of its Subsidiaries to secure the purchase price of such equipment or indebtedness incurred solely for the purpose of financing the acquisition of such equipment, or (ii) existing on such equipment at the time of its acquisition, provided that the Lien is confined solely to the property so acquired and improvements thereon, and the proceeds of such equipment;
- (d) Liens incurred in connection with the extension, renewal or refinancing of the indebtedness secured by Liens of the type described in clauses (a) through (c) above, provided that any extension, renewal or replacement Lien shall be limited to the property encumbered by the existing Lien and the principal amount of the indebtedness being extended, renewed or refinanced does not increase.

“Person” means any individual, sole proprietorship, partnership, limited liability company, joint venture, trust, unincorporated organization, association, corporation, institution, public benefit corporation, firm, joint stock company, estate, entity or governmental agency.



"Prime Rate" means the variable rate of interest, per annum, that appears in The Wall Street Journal from time to time, whether or not such announced rate is the lowest rate available from Bank.

"Responsible Officer" means each of the Chief Executive Officer.

"Revolving Facility" means the facility under which Borrowers may request Bank to issue Advances, as specified in Section 2.1(a) hereof.

"Revolving Line" means a credit extension of up to Three Million Dollars (\$3,000,000).

"Revolving Maturity Date" means March 31, 2016.

"Schedule" means the schedule of exceptions attached hereto and approved by Bank, if any.

"Shares" is one hundred percent (100%) of the issued and outstanding capital stock, membership units or other securities owned or held of record by a Borrower or any Subsidiary of Borrower, in any direct or indirect Subsidiary.

"Subordinated Debt" means any debt incurred by Borrower that is subordinated to the debt owing by Borrower to Bank on terms acceptable to Bank (and identified as being such by Borrower and Bank).

"Subsidiary" means, as to any Person, a corporation, partnership, limited liability company or other entity of which shares of stock or other ownership interests having ordinary voting power (other than stock or such other ownership interests having such power only by reason of the happening of a contingency) to elect a majority of the board of directors or other managers of such corporation, partnership or other entity are at the time owned, or the management of which is otherwise controlled, directly or indirectly through one or more intermediaries (including any Affiliate), or both, by such Person. Unless the context otherwise requires, each reference to a Subsidiary herein shall be a reference to a Subsidiary of Borrower.

"Trademarks" means any trademark and servicemark rights, whether registered or not, applications to register and registrations of the same and like protections, and the entire goodwill of the business of a Borrower connected with and symbolized by such trademarks.

**1.2 Accounting Terms.** All accounting terms not specifically defined herein shall be construed in accordance with GAAP and all calculations made hereunder shall be made in accordance with GAAP. When used herein, the terms "financial statements" shall include the notes and schedules thereto.

## **2. LOAN AND TERMS OF PAYMENT.**

### **2.1 Credit Extensions.**

Each Borrower promises to pay to the order of Bank, in lawful money of the United States of America, the aggregate unpaid principal amount of all Credit Extensions made by Bank to Borrowers hereunder. Each Borrower shall also pay interest on the unpaid principal amount of such Credit Extensions at rates in accordance with the terms hereof.

#### **(a) Revolving Advances.**

**(i)** Subject to and upon the terms and conditions of this Agreement, Borrowers may request Advances in an aggregate outstanding amount not to exceed the lesser of (i) the Revolving Line or (ii) the Borrowing Base. Subject to the terms and conditions of this Agreement, amounts borrowed pursuant to this Section 2.1(a) may be repaid and reborrowed at any time prior to the Revolving Maturity Date, at which time all Advances under this Section 2.1(a) shall be immediately due and payable. Borrowers may prepay any Advances without penalty or premium.

(ii) Whenever a Borrower desires an Advance, such Borrower will notify Bank by email, facsimile transmission or telephone no later than 2:00 p.m. Pacific Time, on the Business Day that is one day before the Business Day the Advance is to be made in substantially the form of **Exhibit B** hereto. Each such notification shall be promptly confirmed by a Borrowing Base Certificate in substantially the form of **Exhibit C** hereto. Bank is authorized to make Advances under this Agreement, based upon instructions received from a Responsible Officer or a designee of a Responsible Officer, or without instructions if in Bank's discretion such Advances are necessary to meet Obligations which have become due and remain unpaid. Bank shall be entitled to rely on any email or telephonic notice given by a person who Bank reasonably believes to be a Responsible Officer or a designee thereof, and Borrowers shall indemnify and hold Bank harmless for any damages or loss suffered by Bank as a result of such reliance. Bank will credit the amount of Advances made under this Section to a Borrower's deposit account at Bank.

2.2 **Overadvances.** If the aggregate amount of the outstanding Advances exceeds the lesser of the Revolving Line or the Borrowing Base at any time, Borrowers shall immediately pay to Bank, in cash, the amount of such excess.

2.3 **Interest Rates, Payments, and Calculations.**

(a) **Interest Rate.**

(i) Except as set forth in Section 2.3(b), the Advances shall bear interest, on the outstanding Daily Balance thereof, at a rate equal to two and one half percent (2.5%) above the Prime Rate.

(b) **Late Fee; Default Rate.** If any payment is not made within ten (10) days after the date such payment is due, Borrowers shall pay Bank a late fee equal to the lesser of (i) five percent (5%) of the amount of such unpaid amount or (ii) the maximum amount permitted to be charged under applicable law. All Obligations shall bear interest, from and after the occurrence and during the continuance of an Event of Default, at a rate equal to five (5) percentage points above the interest rate applicable immediately prior to the occurrence of the Event of Default.

(c) **Payments.** Interest with respect to Advances hereunder shall be due and payable on the first business day of each month during the term hereof. Bank shall, at its option, charge such interest, all Bank Expenses, and all Periodic Payments against any of Borrowers' deposit accounts or against the Revolving Line, in which case those amounts shall thereafter accrue interest at the rate then applicable hereunder. Any interest not paid when due shall be compounded by becoming a part of the Obligations, and such interest shall thereafter accrue interest at the rate then applicable hereunder. All payments shall be free and clear of any taxes, withholdings, duties, impositions or other charges, to the end that Bank will receive the entire amount of any Obligations payable hereunder, regardless of source of payment.

(d) **Lockbox.** Borrowers shall cause all account debtors to wire any amounts owing to any Borrower to such account (the "Bancontrol Account") as Bank shall specify, and to mail all payments made by check to a post office box under Bank's control. All invoices shall specify such post office box as the payment address. Bank shall have sole authority to collect such payments and deposit them to the Bancontrol Account. If a Borrower receives any amount despite such Instructions, such Borrower shall immediately deliver such payment to Bank in the form received, except for an endorsement to the order of Bank and, pending such delivery, shall hold such payment in trust for Bank. Funds from the Bancontrol Account shall be swept daily by Bank; two Business Days after clearance of any checks, Bank shall credit all amounts paid into the Bancontrol Account first, against any amounts outstanding under the Revolving Line, and then, of any remaining balance of such amount, to such Borrower's operating account. Borrowers shall enter into such lockbox agreement as Bank shall reasonably request from time to time. Bank may, at its option, conduct a credit check of the Account Debtor for each Eligible Account requested by a Borrower for inclusion in the Borrowing Base. Bank may also verify directly with the respective account debtors the validity, amount and other matters relating to the Eligible Accounts, and notify any account debtor of Bank's security interest in Borrowers' Accounts.

(e) **Computation.** In the event the Prime Rate is changed from time to time hereafter, the applicable rate of interest hereunder shall be increased or decreased, effective as of the day the Prime Rate is changed, by an amount equal to such change in the Prime Rate. All interest chargeable under the Loan Documents shall be computed on the basis of a three hundred sixty (360) day year for the actual number of days elapsed.

2.4 **Crediting Payments.** In the absence of an Event of Default, Bank shall credit a wire transfer of funds, check or other item of payment to such deposit account or Obligation as a Borrower specifies. During the occurrence of an Event of Default, the receipt by Bank of any wire transfer of funds, check, or other item of payment shall be immediately applied to conditionally reduce Obligations, but shall not be considered a payment on account unless such payment is of immediately available federal funds or unless and until such check or other item of payment is honored when presented for payment. Notwithstanding anything to the contrary contained herein, any wire transfer or payment received by Bank after 12:00 noon Pacific Time shall be deemed to have been received by Bank as of the opening of business on the immediately following Business Day. Whenever any payment to Bank under the Loan Documents would otherwise be due (except by reason of acceleration) on a date that is not a Business Day, such payment shall instead be due on the next Business Day, and additional fees or interest, as the case may be, shall accrue and be payable for the period of such extension.

2.5 **Fees.** Borrowers shall, after first applying amounts paid at the execution of the Term Sheet with respect to the application fee of \$15,000, pay to Bank the following.:

(a) **Facility Fees.** (i) on the Closing Date a facility fee with respect to the Revolving Facility equal to \$22,500, and (ii) a monthly collateral management fee equal to \$750 due on the first day of each month, (i) and (ii) each of which shall be nonrefundable; and

(b) **Bank Expenses.** On the Closing Date, all Bank Expenses incurred through the Closing Date, including reasonable attorneys' fees and expenses and, after the Closing Date, all Bank Expenses, including reasonable attorneys' fees and expenses, as and when they are incurred by Bank.

2.6 **Term.** This Agreement shall become effective on the Closing Date and, subject to Section 12.8, shall continue in full force and effect for so long as any Obligations remain outstanding or Bank has any obligation to make Credit Extensions under this Agreement. Notwithstanding the foregoing, Bank shall have the right to terminate its obligation to make Credit Extensions under this Agreement immediately and without notice upon the occurrence and during the continuance of an Event of Default. Notwithstanding termination, Bank's Lien on the Collateral shall remain in effect for so long as any Obligations are outstanding.

### 3. CONDITIONS OF LOANS.

3.1 **Conditions Precedent to Initial Credit Extension.** The obligation of Bank to make the initial Credit Extension is subject to the condition precedent that Bank shall have received, in form and substance satisfactory to Bank, the following:

- (a) this Agreement;
- (b) a certificate of an officer of each Borrower with respect to incumbency and resolutions authorizing the execution and delivery of this Agreement;
- (c) UCC National Form Financing Statement;
- (d) an intellectual property security agreement;
- (e) a guaranty agreement executed by the Parent;
- (f) a stock pledge agreement executed by DGS Netherlands;
- (g) a landlord waiver (316 Wilcox Street, Castle Rock, CO 80104);

- (h) a Perfection Certificate;
- (i) a subordination agreement executed by each holder of Subordinated Debt in a form acceptable to Bank, if any;
- (j) certificate(s) of insurance naming Bank as loss payee and additional insured;
- (k) payment of the fees and Bank Expenses then due specified in Section 2.5 hereof;
- (l) current financial statements of Borrowers;
- (m) an audit of the Collateral, the results of which shall be satisfactory to Bank;
- (n) establishment of the Bancontrol Account and lockbox arrangements; and
- (o) such other documents, and completion of such other matters, as Bank may reasonably deem necessary or appropriate.

3.2 **Conditions Precedent to all Credit Extensions.** The obligation of Bank to make each Credit Extension, including the initial Credit Extension, is further subject to the following conditions:

- (a) timely receipt by Bank of the Payment/Advance Form as provided in Section 2.1;
- (b) the representations and warranties contained in Section 5 shall be true and correct in all material respects on and as of the date of such Payment/Advance Form and on the effective date of each Credit Extension as though made at and as of each such date, and no Event of Default shall have occurred and be continuing, or would exist after giving effect to such Credit Extension. The making of each Credit Extension shall be deemed to be a representation and warranty by Borrowers on the date of such Credit Extension as to the accuracy of the facts referred to in this Section 3.2; and
- (c) Bank determines in its reasonable judgment that no circumstance has occurred that would reasonably be expected to have a Material Adverse Effect.

#### 4. CREATION OF SECURITY INTEREST.

4.1 **Grant of Security Interest.** Each Borrower grants and pledges to Bank a continuing security interest in all presently existing and hereafter acquired or arising Collateral in order to secure prompt repayment of any and all Obligations and in order to secure prompt performance by Borrowers of each of its covenants and duties under the Loan Documents. Such security interest constitutes a valid, first priority security interest in the presently existing Collateral, and will constitute a valid, first priority security interest in Collateral acquired after the date hereof.

4.2 **Delivery of Additional Documentation Required.** Each Borrower shall from time to time execute and deliver to Bank, at the request of Bank, all Negotiable Collateral, all financing statements and other documents that Bank may reasonably request, in form satisfactory to Bank, to perfect and continue the perfection of Bank's security interests in the Collateral and in order to fully consummate all of the transactions contemplated under the Loan Documents. Each Borrower from time to time may deposit with Bank specific time deposit accounts to secure specific Obligations. Each Borrower authorizes Bank to hold such balances in pledge and to decline to honor any drafts thereon or any request by a Borrower or any other Person to pay or otherwise transfer any part of such balances for so long as the Obligations are outstanding.

4.3 **Right to Inspect.** Bank (through any of its officers, employees, or agents) shall have the right, upon reasonable prior notice, from time to time during Borrowers' usual business hours but no more than twice a year (unless an Event of Default has occurred and is continuing), to inspect each Borrower's Books and to make copies thereof and to check, test, and appraise the Collateral in order to verify each Borrower's financial condition or the amount, condition of, or any other matter relating to, the Collateral.

4.4 **Pledge of Shares.** Borrower hereby pledges, assigns and grants to Bank, a security interest in all the Shares, together with all proceeds and substitutions thereof, all cash, stock and other moneys and property paid thereon, all rights to subscribe for securities declared or granted in connection therewith, and all other cash and noncash proceeds of the foregoing, as security for the performance of the Obligations. On the Closing Date, or, to the extent not certificated as of the Closing Date, within ten (10) days of the certification of any Shares, the certificate or certificates for the Shares will be delivered to Bank, accompanied by an instrument of assignment duly executed in blank by Borrower. To the extent required by the terms and conditions governing the Shares, Borrower shall cause the books of each entity whose Shares are part of the Collateral and any transfer agent to reflect the pledge of the Shares. Upon the occurrence of an Event of Default hereunder, Bank may effect the transfer of any securities included in the Collateral (including but not limited to the Shares) into the name of Bank and cause new (as applicable) certificates representing such securities to be issued in the name of Bank or its transferee. Borrower will execute and deliver such documents, and take or cause to be taken such actions, as Bank may reasonably request to perfect or continue the Shares. Unless an Event of Default shall have occurred and be continuing, Borrower shall be entitled to exercise any voting rights with respect to the Shares and to give consents, waivers and ratifications in respect thereof, provided that no vote shall be cast or consent, waiver or ratification given or action taken which would be inconsistent with any of the terms of this Agreement or which would constitute or create any violation of any of such terms. All such rights to vote and give consents, waivers and ratifications shall terminate upon the occurrence and continuance of an Event of Default.

## 5. REPRESENTATIONS AND WARRANTIES.

Each Borrower represents and warrants as follows:

5.1 **Due Organization and Qualification.** Each Borrower and each Subsidiary is a corporation duly existing under the laws of its state of incorporation and qualified and licensed to do business in any state in which the conduct of its business or its ownership of property requires that it be so qualified.

5.2 **Due Authorization; No Conflict.** The execution, delivery, and performance of the Loan Documents are within each Borrower's powers, have been duly authorized, and are not in conflict with nor constitute a breach of any provision contained in each Borrower's Certificate of Incorporation, Certificate of Formation, Bylaws, Limited Liability Company Agreement, or other charter document, as applicable, nor will they constitute an event of default under any material agreement to which a Borrower is a party or by which a Borrower is bound. No Borrower is in default under any material agreement to which it is a party or by which it is bound.

5.3 **No Prior Encumbrances.** Each Borrower has good and marketable title to its property, free and clear of Liens, except for Permitted Liens.

5.4 **Bona Fide Eligible Accounts and Accrued Accounts.** The Eligible Accounts and Accrued Accounts are bona fide existing obligations. The property and services giving rise to such Eligible Accounts and such Accrued Accounts has been delivered or rendered to the account debtor or to the account debtor's agent for immediate and unconditional acceptance by the account debtor. No Borrower has received notice of actual or imminent Insolvency Proceeding of any account debtor that is included in any Borrowing Base Certificate as an Eligible Account or Accrued Account.

5.5 **Merchantable Inventory.** All Inventory is in all material respects of good and marketable quality, free from all material defects, except for Inventory for which adequate reserves have been made.

5.6 **Intellectual Property.** Each Borrower is the sole owner of its Intellectual Property, except for non-exclusive licenses granted by Borrowers to its customers in the ordinary course of business. Each of the Patents is valid and enforceable, and no part of the Intellectual Property has been judged invalid or unenforceable, in whole or in part, and no claim has been made that any part of the Intellectual Property violates the rights of any third party. Except as set forth in the Schedule, Borrowers' rights as a licensor of intellectual property do not give rise to more than five percent (5%) of its gross revenue in any given month, including without limitation revenue derived from the sale, licensing, rendering or disposition of any product or service. No Borrower is a party to, or bound by, any agreement that restricts the grant by such Borrower of a security interest in such Borrower's rights under such agreement.

5.7 **Name; Location of Chief Executive Office.** Except as disclosed in the Schedule, no Borrower has done business under any name other than that specified on the signature page hereof; or, in the past five (5) years, changed its jurisdiction of formation, corporate structure, organizational type, or any organizational number assigned by its jurisdiction. The chief executive office of Borrowers is located at the address indicated in Section 10 hereof. All Borrowers' Inventory and Equipment is located only at the location set forth in Section 10 hereof.

5.8 **Litigation.** Except as set forth in the Schedule, there are no actions or proceedings pending by or against any Borrower or any Subsidiary before any court or administrative agency.

5.9 **No Material Adverse Change in Financial Statements.** All consolidated and consolidating financial statements related to Borrowers and any Subsidiary that Bank has received from Borrowers fairly present in all material respects Borrowers' financial condition as of the date thereof and Borrowers' consolidated and consolidating results of operations for the period then ended. There has not been a material adverse change in the consolidated or the consolidating financial condition of Borrowers since the date of the most recent of such financial statements submitted to Bank.

5.10 **Solvency, Payment of Debts.** Each Borrower is solvent and able to pay its debts (including trade debts) as they mature.

5.11 **Regulatory Compliance.** Each Borrower and each Subsidiary have met the minimum funding requirements of ERISA with respect to any employee benefit plans subject to ERISA, and no event has occurred resulting from a Borrower's failure to comply with ERISA that could result in such Borrower's incurring any material liability. No Borrower is an "investment company" or a company "controlled" by an "investment company" within the meaning of the Investment Company Act of 1940. No Borrower is engaged principally, or as one of the important activities, in the business of extending credit for the purpose of purchasing or carrying margin stock (within the meaning of Regulations T and U of the Board of Governors of the Federal Reserve System). Each Borrower and each Subsidiary have complied with all the provisions of the Federal Fair Labor Standards Act. No Borrower and or its Subsidiary have violated any material statutes, laws, ordinances or rules applicable to it.

5.12 **Environmental Condition.** None of a Borrower's or any Subsidiary's properties or assets has ever been used by a Borrower or any Subsidiary or, to the best of Borrowers' knowledge, by previous owners or operators, in the disposal of, or to produce, store, handle, treat, release, or transport, any hazardous waste or hazardous substance other than in accordance with applicable law; to the best of Borrowers' knowledge, none of Borrowers' properties or assets has ever been designated or identified in any manner pursuant to any environmental protection statute as a hazardous waste or hazardous substance disposal site, or a candidate for closure pursuant to any environmental protection statute; no lien arising under any environmental protection statute has attached to any revenues or to any real or personal property owned by a Borrower or any Subsidiary; and neither Borrowers nor any Subsidiary has received a summons, citation, notice, or directive from the Environmental Protection Agency or any other federal, state or other governmental agency concerning any action or omission by a Borrower or any Subsidiary resulting in the releasing, or otherwise disposing of hazardous waste or hazardous substances into the environment.

5.13 **Taxes.** Each Borrower and each Subsidiary have filed or caused to be filed all tax returns required to be filed, and have paid, or have made adequate provision for the payment of, all taxes reflected therein.

5.14 **Investments.** No Borrower nor any Subsidiary owns any stock, partnership interest or other equity securities of any Person, except for Permitted investments.

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**5.15 Government Consents.** Each Borrower and each Subsidiary have obtained all material consents, approvals and authorizations of, made all declarations or filings with, and given all notices to, all governmental authorities that are necessary for the continued operation of such Borrower's business as currently conducted.

**5.16 Operating, Depository and Investment Accounts.** None of Borrower's nor any Subsidiary's property is maintained or invested with a Person other than Bank

**5.17 Shares.** Borrower has full power and authority to create a first lien on the Shares and no disability or contractual obligation exists that would prohibit Borrower from pledging the Shares pursuant to this Agreement. There are no subscriptions, warrants, rights of first refusal or other restrictions on transfer relative to, or options exercisable with respect to the Shares. The Shares have been and will be duly authorized and validly issued, and are fully paid and non-assessable. The Shares are not the subject of any present or threatened suit, action, arbitration, administrative or other proceeding, and Borrower knows of no reasonable grounds for the institution of any such proceedings.

**5.17 Full Disclosure.** No representation, warranty or other statement made by Borrowers in any certificate or written statement furnished to Bank contains any untrue statement of a material fact or omits to state a material fact necessary in order to make the statements contained in such certificates or statements not misleading.

**6. AFFIRMATIVE COVENANTS.**

Each Borrower shall do all of the following:

**6.1 Good Standing.** Each Borrower shall maintain its and each of its Subsidiaries' corporate existence and good standing in its jurisdiction of incorporation and maintain qualification in each jurisdiction in which it is required under applicable law. Each Borrower shall maintain, and shall cause each of its Subsidiaries to maintain, in force all licenses, approvals and agreements, the loss of which could have a Material Adverse Effect.

**6.2 Government Compliance.** Each Borrower shall meet, and shall cause each Subsidiary to meet, the minimum funding requirements of ERISA with respect to any employee benefit plans subject to ERISA. Borrowers shall comply, and shall cause each Subsidiary to comply, with all statutes, laws, ordinances and government rules and regulations to which it is subject, noncompliance with which could have a Material Adverse Effect.

**6.3 Financial Statements, Reports, Certificates.** Borrowers shall deliver the following to Bank:

(a) on the 15<sup>th</sup> and 30<sup>th</sup> of each month (or the next Business Day if the 15<sup>th</sup> or 30<sup>th</sup> is not a Business Day), aged listings of accounts receivable and accounts payable, together with a deferred revenue listing, and Inventory report, a Borrowing Base Certificate signed by a Responsible Officer in substantially the form of Exhibit C hereto, and a Compliance Certificate signed by a Responsible Officer in substantially the form of Exhibit D hereto;

(b) as soon as available, but in any event within forty-five (45) days after the end of each quarter, a Borrower prepared consolidated and consolidating balance sheet, income, and cash flow statement covering Borrowers' consolidated and consolidating operations during such quarter, prepared in accordance with GAAP, consistently applied, in a form acceptable to Bank;

(c) as soon as available, but in any event within one hundred eighty (180) days after the end of Borrowers' fiscal year, audited consolidated and consolidating financial statements of Borrowers prepared in accordance with GAAP, consistently applied, together with an unqualified opinion on such financial statements of an independent certified public accounting firm reasonably acceptable to Bank;

(d) as soon as available, but in any event no later than thirty (30) days after the beginning of Borrowers' next fiscal year, annual operating projections (including income statements, balance sheets and cash flow statements presented in a monthly format) for the upcoming fiscal year, in form and substance reasonably satisfactory to Bank,

(e) copies of all statements, reports and notices sent or made available generally by a Borrower to its security holders or to any holders of Subordinated Debt and, if applicable, all reports on Forms 10-K and 10-Q filed with the Securities and Exchange Commission;

(f) promptly upon receipt of notice thereof, a report of any legal actions pending or threatened against a Borrower or any Subsidiary that could result in damages or costs to such Borrower or any Subsidiary of Fifty Thousand Dollars (\$50,000) or more, or any commercial tort claim (as defined in the Code) acquired by any Borrower; and

(g) such budgets, sales projections, operating plans, other financial information including information related to the verification of Borrowers' Accounts as Bank may reasonably request from time to time.

**6.4 Reserved.**

**6.5 Inventory; Returns.** Borrowers shall keep all Inventory in good and marketable condition, free from all material defects except for Inventory for which adequate reserves have been made. Returns and allowances, if any, as between Borrowers and their account debtors shall be on the same basis and in accordance with the usual customary practices of Borrowers, as they exist at the time of the execution and delivery of this Agreement. Borrowers shall promptly notify Bank of all returns and recoveries and of all disputes and claims, where the return, recovery, dispute or claim involves more than Fifty Thousand Dollars (\$50,000).

**6.6 Taxes.** Each Borrower shall make, and shall cause each Subsidiary to make, due and timely payment or deposit of all material federal, state, and local taxes, assessments, or contributions required of it by law, and will execute and deliver to Bank, on demand, appropriate certificates attesting to the payment or deposit thereof; and each Borrower will make, and will cause each Subsidiary to make, timely payment or deposit of all material tax payments and withholding taxes required of it by applicable laws, including, but not limited to, those laws concerning F.I.C.A., F.U.T.A., state disability, and local, state, and federal income taxes, and will, upon request, furnish Bank with proof satisfactory to Bank indicating that such Borrower or a Subsidiary has made such payments or deposits; provided that such Borrower or a Subsidiary need not make any payment if the amount or validity of such payment is contested in good faith by appropriate proceedings and is reserved against (to the extent required by GAAP) by Borrowers.

**6.7 Insurance.**

(a) Each Borrower, at its expense, shall keep the Collateral insured against loss or damage by fire, theft, explosion, sprinklers, and all other hazards and risks, and in such amounts, as ordinarily insured against by other owners in similar businesses conducted in the locations where each Borrower's business is conducted on the date hereof. Each Borrower shall also maintain insurance relating to such Borrower's business, ownership and use of the Collateral in amounts and of a type that are customary to businesses similar to such Borrower's.

(b) All such policies of insurance shall be in such form, with such companies, and in such amounts as are reasonably satisfactory to Bank. All such policies of property insurance shall contain a lender's loss payable endorsement, in a form satisfactory to Bank, showing Bank as an additional loss payee thereof, and all liability insurance policies shall show the Bank as an additional insured and shall specify that the insurer must give at least twenty (20) days notice to Bank before canceling its policy for any reason. Upon Bank's request, Borrowers shall deliver to Bank certified copies of such policies of insurance and evidence of the payments of all premiums therefor. All proceeds payable under any such policy shall, at the option of Bank, be payable to Bank to be applied on account of the Obligations.

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**6.8 Operating, Depository and Investment Accounts.** Borrower shall maintain and shall cause each of its Subsidiaries to maintain its primary depository, operating, and investment accounts with Bank. For each account that Borrower maintains outside of Bank, Borrower shall cause the applicable bank or financial institution at or with which any such account is maintained to execute and deliver an account control agreement or other appropriate instrument in form and substance satisfactory to Bank. Notwithstanding the foregoing, Borrower shall have up to forty-five (45) days from the Closing Date to comply with this Section 6.8.

**6.9 Financial Covenants.**

(a) **EBITDA.** Borrower shall achieve an Adjusted EBITDA of at least: \$300,000 for the three months ending March 31, 2015; \$600,000 for the six months ending June 30, 2015; \$650,000 for the six months ending September 30, 2015; \$650,000 for the six months ending December 31, 2015; and \$500,000 for the six months ending March 31, 2016.

(b) **Asset Coverage Ratio.** Borrowers shall maintain a minimum ratio of unrestricted cash maintained at Bank plus all Eligible Accounts plus Accrued Accounts to all Obligations owing to Bank to, of at least 1.30 to 1.00, measured on a monthly basis as of the last day of each month.

**6.10 Intellectual Property Rights.**

(a) Protect, defend and maintain the validity and enforceability of its Intellectual Property; (ii) promptly advise Bank in writing of material infringements of its Intellectual Property; and (iii) not allow any Intellectual Property material to a Borrower's business to be abandoned, forfeited or dedicated to the public.

(b) Borrowers shall promptly give Bank written notice of any applications or registrations of intellectual property rights filed with the United States Patent and Trademark Office, including the date of such filing and the registration or application numbers, if any. Borrowers shall (i) give Bank not less than 30 days prior written notice of the filing of any applications or registrations with the United States Copyright Office, including the title of such intellectual property rights to be registered, as such title will appear on such applications or registrations, and the date such applications or registrations will be filed, and (ii) prior to the filing of any such applications or registrations, shall execute such documents as Bank may reasonably request for Bank to maintain its perfection in such intellectual property rights to be registered by any Borrower, and upon the request of Bank, shall file such documents simultaneously with the filing of any such applications or registrations. Upon filing any such applications or registrations with the United States Copyright Office, Borrowers shall promptly provide Bank with (i) a copy of such applications or registrations, without the exhibits, if any, thereto, (ii) evidence of the filing of any documents requested by Bank to be filed for Bank to maintain the perfection and priority of its security interest in such intellectual property rights, and (iii) the date of such filing.

(c) Bank may audit any Borrower's intellectual Property to confirm compliance with this Section, provided such audit may not occur more often than twice per year, unless an Event of Default has occurred and is continuing. Bank shall have the right, but not the obligation, to take, at Borrowers' sole expense, any actions that a Borrower is required under this Section to take but which such Borrower fails to take, after 15 days' notice to Borrowers. Borrowers shall reimburse and indemnify Bank for all reasonable costs and reasonable expenses incurred in the reasonable exercise of its rights under this Section.

**6.11 Further Assurances.** At any time and from time to time Borrowers shall execute and deliver such further instruments and take such further action as may reasonably be requested by Bank to effect the purposes of this Agreement.

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No Borrower will do any of the following:

7.1 **Dispositions.** Convey, sell, lease, transfer or otherwise dispose of (collectively, a "Transfer"), or permit any of its Subsidiaries to Transfer, all or any part of its business or property, other than: (i) Transfers of Inventory in the ordinary course of business; (ii) Transfers of non-exclusive licenses and similar arrangements for the use of the property of a Borrower or its Subsidiaries in the ordinary course of business; or (iii) Transfers of worn-out or obsolete Equipment which was not financed by Bank, or, (iv) Transfers to a Borrower.

7.2 **Change in Business; Change in Control or Executive Office.** Without the Bank's prior written consent, engage in any business, or permit any of its Subsidiaries to engage in any business, other than the businesses currently engaged in by Borrowers and any business substantially similar or related thereto (or incidental thereto); or cease to conduct business in the manner conducted by Borrowers as of the Closing Date; or suffer or permit a Change in Control; or without thirty (30) days prior written notification to Bank, relocate its chief executive office or state of incorporation or change its legal name; or, change the date on which its fiscal year ends.

7.3 **Mergers or Acquisitions.** Merge or consolidate, or permit any of its Subsidiaries to merge or consolidate, with or into any other business organization, or acquire, or permit any of its Subsidiaries to acquire, all or substantially all of the capital stock or property of another Person, except for acquisitions in which the aggregate consideration (including assumption of indebtedness) does not exceed \$ 100,000 in the aggregate.

7.4 **Indebtedness.** Create, incur, guarantee, assume or be or remain liable with respect to any Indebtedness, or permit any Subsidiary so to do, other than Permitted Indebtedness.

7.5 **Encumbrances.** Create, incur, assume or suffer to exist any Lien with respect to any of its property, or assign or otherwise convey any right to receive income, including the sale of any Accounts, or permit any of its Subsidiaries so to do, except for Permitted Liens, or enter into any agreement with any Person other than Bank not to grant a security interest in, or otherwise encumber, any of its property, or permit any Subsidiary to do so.

7.6 **Distributions.** Pay any dividends, make intellectual property royalty payments or make any other distribution or payment on account of or in redemption, retirement or purchase of any capital stock, or permit any of its Subsidiaries to do so, except that each Borrower may (i) repurchase the stock of former employees pursuant to stock repurchase agreements as long as an Event of Default does not exist prior to such repurchase or would not exist after giving effect to such repurchase, and the aggregate amount of such repurchase does not exceed \$100,000 in any fiscal year, and (ii) pay dividends, make intellectual property royalty payments, or make distributions to Parent, DG Netherlands, or any other foreign upstream entity set forth in the Perfection Certificate, provided (a) an Event of Default would not exist immediately after giving effect thereto and (b) any dividends or distributions shall not exceed 80% of Borrower's free cash flow, as determined by Borrower's public earnings releases.

7.7 **Investments.** Directly or indirectly acquire or own, or make any Investment in or to any Person, or permit any of its Subsidiaries so to do, other than Permitted Investments; or maintain or invest any of its property with a Person other than Bank or permit any of its Subsidiaries to do so unless such Person has entered into an account control agreement with Bank in form and substance satisfactory to Bank; or suffer or permit any Subsidiary to be a party to, or be bound by, an agreement that restricts such Subsidiary from paying dividends or otherwise distributing property to a Borrower.

7.8 **Transactions with Affiliates.** Except for transactions between or among Borrowers, Directly or indirectly enter into or permit to exist any material transaction with any Affiliate of Borrowers except for transactions that are in the ordinary course of such Borrower's business, upon fair and reasonable terms that are no less favorable to such Borrower than would be obtained in an arm's length transaction with a non-affiliated Person.

7.9 **Subordinated Debt.** Make any payment in respect of any Subordinated Debt, or permit any of its Subsidiaries to make any such payment, except in compliance with the terms of such Subordinated Debt, or amend any provision contained in any documentation relating to the Subordinated Debt without Bank's prior written consent; provided that payment of Subordinated Debt to DGS Worldwide and Guarantor may be made without consent provided that (a) an Event of Default would not exist immediately after giving effect thereto and (b) any payment shall not exceed 80% of Borrower's free cash flow, as determined by Borrower's public earnings releases.

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**7.10 Inventory and Equipment.** Store the Inventory or the Equipment with a bailee, warehouseman, or other third party unless the third party has been notified of Bank's security interest and Bank (a) has received an acknowledgment from the third party that it is holding or will hold the Inventory or Equipment for Bank's benefit or (b) is in pledge possession of the warehouse receipt, where negotiable, covering such Inventory or Equipment. Store or maintain any Equipment or Inventory at a location other than the location set forth in Section 10 of this Agreement.

**7.11 Compliance.** Become an "investment company" or be controlled by an "investment company," within the meaning of the Investment Company Act of 1940, or become principally engaged in, or undertake as one of its important activities, the business of extending credit for the purpose of purchasing or carrying margin stock, or use the proceeds of any Credit Extension for such purpose. Fail to meet the minimum funding requirements of ERISA, permit a Reportable Event or Prohibited Transaction, as defined in ERISA, to occur, fail to comply with the Federal Fair Labor Standards Act or violate any law or regulation, which violation could have a Material Adverse Effect, or a material adverse effect on the Collateral or the priority of Bank's Lien on the Collateral, or permit any of its Subsidiaries to do any of the foregoing.

**8. EVENTS OF DEFAULT.**

Any one or more of the following events shall constitute an Event of Default by Borrowers under this Agreement:

**8.1 Payment Default.** If Borrowers fail to pay, when due, any of the Obligations;

**8.2 Covenant Default.**

(a) If a Borrower fails to perform any obligation under Section 6.2 or 6.9 or violates any of the covenants contained in Section 7 of this Agreement; or

(b) If a Borrower fails or neglects to perform or observe any other material term, provision, condition, covenant contained in this Agreement, in any of the Loan Documents, or in any other present or future agreement between such Borrower and Bank and as to any default under such other term, provision, condition or covenant that can be cured, has failed to cure such default within fifteen days after such a Borrower receives notice thereof or any officer of such Borrower becomes aware thereof; provided, however, that if the default cannot by its nature be cured within the ten day period or cannot after diligent attempts by such Borrower be cured within such ten day period, and such default is likely to be cured within a reasonable time, then such Borrower shall have an additional reasonable period (which shall not in any case exceed 30 days) to attempt to cure such default, and within such reasonable time period the failure to have cured such default shall not be deemed an Event of Default but no Credit Extensions will be made.

**8.3 Material Adverse Effect.** If there occurs any circumstance or circumstances that could have a Material Adverse Effect;

**8.4 Attachment.** If any portion of a Borrower's assets is attached, seized, subjected to a writ or distress warrant, or is levied upon, or comes into the possession of any trustee, receiver or person acting in a similar capacity and such attachment, seizure, writ or distress warrant or levy has not been removed, discharged or rescinded within ten (10) days, or if a Borrower is enjoined, restrained, or in any way prevented by court order from continuing to conduct all or any part of its business affairs, or if a judgment or other claim becomes a lien or encumbrance upon any portion of a Borrower's assets, or if a notice of lien, levy, or assessment is filed of record with respect to any of a Borrower's assets by the United States Government, or any department, agency, or instrumentality thereof, or by any state, county, municipal, or governmental agency, and the same is not paid within ten (10) days after any Borrower receives notice thereof, provided that none of the foregoing shall constitute an Event of Default where such action or event is stayed or an adequate bond has been posted pending a good faith contest by such Borrower (provided that no Credit Extensions will be required to be made during such cure period);

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**8.5 Insolvency.** If a Borrower becomes insolvent, or if an Insolvency Proceeding is commenced by a Borrower, or if an Insolvency Proceeding is commenced against any Borrower and is not dismissed or stayed within thirty (30) days (provided that no Credit Extensions will be made prior to the dismissal of such Insolvency Proceeding);

**8.6 Other Agreements.** If there is a default or other failure to perform in any agreement to which a Borrower is a party or by which it is bound resulting in a right by a third party or parties, whether or not exercised, to accelerate the maturity of any Indebtedness in an amount in excess of Fifty Thousand Dollars (\$50,000) or which could have a Material Adverse Effect;

**8.7 Subordinated Debt.** If any Borrower makes any payment on account of Subordinated Debt, except to the extent the payment is allowed under any subordination agreement entered into with Bank;

**8.8 Judgments.** If a judgment or judgments for the payment of money in an amount, individually or in the aggregate, of at least Fifty Thousand Dollars (\$50,000) shall be rendered against any Borrower and shall remain unsatisfied and unstayed for a period of ten (10) days (provided that no Credit Extensions will be made prior to the satisfaction or stay of such judgment); or

**8.9 Misrepresentations.** If any material misrepresentation or material misstatement exists now or hereafter in any warranty or representation set forth herein or in any certificate delivered to Bank by any Responsible Officer pursuant to this Agreement or to induce Bank to enter into this Agreement or any other Loan Document; or

**8.10 Guaranty.** If any guaranty of all or a portion of the Obligations (a "Guaranty") ceases for any reason to be in full force and effect, or any guarantor fails to perform any obligation under any Guaranty or a security agreement securing any Guaranty (collectively, the "Guaranty Documents"), or any event of default occurs under any Guaranty Document or any guarantor revokes or purports to revoke a Guaranty, or any material misrepresentation or material misstatement exists now or hereafter in any warranty or representation set forth in any Guaranty Document or in any certificate delivered to Bank in connection with any Guaranty Document, or if any of the circumstances described in Sections 8.3 through 8.8 occur with respect to any guarantor, or any circumstances arise causing Bank, in good faith, to become insecure as to the satisfaction of any of any guarantor's obligations under the Guaranty Documents.

## 9. BANK'S RIGHTS AND REMEDIES.

**9.1 Rights and Remedies.** Upon the occurrence and during the continuance of an Event of Default, Bank may, at its election, without notice of its election and without demand, do any one or more of the following, all of which are authorized by Borrowers:

(a) Declare all Obligations, whether evidenced by this Agreement, by any of the other Loan Documents, or otherwise, immediately due and payable (provided that upon the occurrence of an Event of Default described in Section 8.5, all Obligations shall become immediately due and payable without any action by Bank);

(b) Cease advancing money or extending credit to or for the benefit of Borrowers under this Agreement or under any other agreement between Borrowers and Bank;

(c) Make such payments and do such acts as Bank considers necessary or reasonable to protect its security interest in the Collateral. Each Borrower agrees to assemble the Collateral if Bank so requires, and to make the Collateral available to Bank as Bank may designate. Each Borrower authorizes Bank to enter the premises where the Collateral is located, to take and maintain possession of the Collateral, or any part of it, and to pay, purchase, contest, or compromise any encumbrance, charge, or lien which in Bank's determination appears to be prior or superior to its security interest and to pay all expenses incurred in connection therewith. With respect to any of a Borrower's owned premises, each Borrower hereby grants Bank a license to enter into possession of such premises and to occupy the same, without charge, in order to exercise any of Bank's rights or remedies provided herein, at law, in equity, or otherwise;

Bank;

- (d) Set off and apply to the Obligations any and all (i) balances and deposits of any Borrower held by Bank, or (ii) indebtedness at any time owing to or for the credit or the account of a Borrower held by Bank;
- (e) Ship, reclaim, recover, store, finish, maintain, repair, prepare for sale, advertise for sale, and sell (in the manner provided for herein) the Collateral. Bank is hereby granted a license or other right, solely pursuant to the provisions of this Section 9.1, to use, without charge, each Borrower's labels, patents, copyrights, rights of use of any name, trade secrets, trade names, trademarks, service marks, and advertising matter, or any property of a similar nature, as it pertains to the Collateral, in completing production of, advertising for sale, and selling any Collateral and, in connection with Bank's exercise of its rights under this Section 9.1, Borrowers' rights under all licenses and all franchise agreements shall inure to Bank's benefit;
- (f) Dispose of the Collateral by way of one or more contracts or transactions, for cash or on terms, in such manner and at such places (including each Borrower's premises) as Bank determines is commercially reasonable, and apply any proceeds to the Obligations in whatever manner or order Bank deems appropriate;
- (g) Bank may credit bid and purchase at any public sale; and
- (h) Any deficiency that exists after disposition of the Collateral as provided above will be paid immediately by Borrowers.

**9.2 Power of Attorney.** Effective only upon the occurrence and during the continuance of an Event of Default, each Borrower hereby irrevocably appoints Bank (and any of Bank's designated officers, or employees) as such Borrower's true and lawful attorney to: (a) send requests for verification of Accounts or notify account debtors of Bank's security interest in the Accounts; (b) notify all account debtors with respect to the Accounts to pay Bank directly; (c) sign a Borrower's name on any invoice or bill of lading relating to any Account, drafts against account debtors, schedules and assignments of Accounts, verifications of Accounts, and notices to account debtors; (d) make, settle, and adjust all claims under and decisions with respect to a Borrower's policies of insurance; (e) demand, collect, receive, sue, and give releases to any account debtor for the monies due or which may become due upon or with respect to the Accounts and to compromise, prosecute, or defend any action, claim, case or proceeding relating to the Accounts; (f) settle and adjust disputes and claims respecting the accounts directly with account debtors, for amounts and upon terms which Bank determines to be reasonable; (g) sell, assign, transfer, pledge, compromise, discharge or otherwise dispose of any Collateral; (h) receive and open all mail addressed to a Borrower for the purpose of collecting the Accounts; (i) endorse either Borrower's name on any checks or other forms of payment or security that may come into Bank's possession; (j) execute on behalf of a Borrower any and all instruments, documents, financing statements and the like to perfect Bank's interests in the Accounts and Collections and file, in its sole discretion, one or more financing or continuation statements and amendments thereto, relative to any of the Collateral; and (k) do all acts and things necessary or expedient, in furtherance of any such purposes; provided however Bank may exercise such power of attorney with respect to any actions described in clause (j) above, regardless of whether an Event of Default has occurred. The appointment of Bank as each Borrower's attorney in fact, and each and every one of Bank's rights and powers, being coupled with an interest, is irrevocable until all of the Obligations have been fully repaid and performed and Bank's obligation to provide Credit Extensions hereunder is terminated.

**9.3 Accounts Collection.** In addition to the foregoing, at any time after the occurrence of an Event of Default, Bank may notify any Person owing funds to Borrowers of Bank's security interest in such funds and verify the amount of such Account. Each Borrower shall collect all amounts owing to Borrowers for Bank, receive in trust all payments as Bank's trustee, and immediately deliver such payments to Bank in their original form as received from the account debtor, with proper endorsements for deposit.

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**9.4 Bank Expenses.** If Borrowers fail to pay any amounts or furnish any required proof of payment due to third persons or entities, as required under the terms of this Agreement, then Bank may do any or all of the following after reasonable notice to Borrowers: (a) make payment of the same or any part thereof; (b) set up such reserves under a loan facility in Section 2.1 as Bank deems necessary to protect Bank from the exposure created by such failure; or (c) obtain and maintain insurance policies of the type discussed in Section 6.6 of this Agreement, and take any action with respect to such policies as Bank deems prudent. Any amounts so paid or deposited by Bank shall constitute Bank Expenses, shall be immediately due and payable, and shall bear interest at the then applicable rate hereinabove provided, and shall be secured by the Collateral. Any payments made by Bank shall not constitute an agreement by Bank to make similar payments in the future or a waiver by Bank of any Event of Default under this Agreement.

**9.5 Bank's Liability For Collateral.** So long as Bank complies with reasonable banking practices, Bank shall not in any way or manner be liable or responsible for: (a) the safekeeping of the Collateral; (b) any loss or damage thereto occurring or arising in any manner or fashion from any cause; (c) any diminution in the value thereof; or (d) any act or default of any carrier, warehouseman, bailee, forwarding agency, or other person whomsoever. All risk of loss, damage or destruction of the Collateral shall be borne by Borrowers.

**9.6 Shares.** Borrower recognizes that Bank may be unable to effect a public sale of any or all the Shares, by reason of certain prohibitions contained in federal securities laws and applicable state and provincial securities laws or otherwise, and may be compelled to resort to one or more private sales thereof to a restricted group of purchasers which will be obliged to agree, among other things, to acquire such securities for their own account for investment and not with a view to the distribution or resale thereof. Borrower acknowledges and agree that any such private sale may result in prices and other terms less favorable than if such sale were a public sale and, notwithstanding such circumstances, agrees that any such private sale shall be deemed to have been made in a commercially reasonable manner. Bank shall be under no obligation to delay a sale of any of the Shares for the period of time necessary to permit the issuer thereof to register such securities for public sale under federal securities laws or under applicable state and provincial securities laws, even if such issuer would agree to do so. Upon the occurrence of an Event of Default which continues, Bank shall have the right to exercise all such rights as a secured party under the Code as it, in its sole judgment, shall deem necessary or appropriate, including without limitation the right to liquidate the Shares and apply the proceeds thereof to reduce the Obligations. Effective only upon the occurrence and during the continuance of an Event of Default, Borrower hereby irrevocably appoints Bank (and any of Bank's designated officers, or employees) as such Borrower's true and lawful attorney to enforce such Borrower's rights against any Subsidiary, including the right to compel any Subsidiary to make payments or distributions owing to such Borrower.

**9.7 Remedies Cumulative.** Bank's rights and remedies under this Agreement, the Loan Documents, and all other agreements shall be cumulative. Bank shall have all other rights and remedies not inconsistent herewith as provided under the Code, by law, or in equity. No exercise by Bank of one right or remedy shall be deemed an election, and no waiver by Bank of any Event of Default on Borrowers' part shall be deemed a continuing waiver. No delay by Bank shall constitute a waiver, election, or acquiescence by it. No waiver by Bank shall be effective unless made in a written document signed on behalf of Bank and then shall be effective only in the specific instance and for the specific purpose for which it was given.

**9.8 Demand; Protest.** Each Borrower waives demand, protest, notice of protest, notice of default or dishonor, notice of payment and nonpayment, notice of any default, nonpayment at maturity, release, compromise, settlement, extension, or renewal of accounts, documents, instruments, chattel paper, and guarantees at any time held by Bank on which Borrowers may in any way be liable.

**10. NOTICES.**

Unless otherwise provided in this Agreement, all notices or demands by any party relating to this Agreement or any other agreement entered into in connection herewith shall be in writing and (except for financial statements and other informational documents which may be sent by first-class mail, postage prepaid) shall be personally delivered or sent by a recognized overnight delivery service, certified mail, postage prepaid, return receipt requested, or by email or telefacsimile to Borrowers or to Bank, as the case may be, at its addresses set forth below:

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If to any Borrower:

DIGITAL GLOBE SERVICES, INC.  
316 Wilcox St.  
Castle Rock, CO 80104  
Attn: Chief Executive Officer  
Email: [jeff.cox@dgsworld.com](mailto:jeff.cox@dgsworld.com)

With a copy to:  
Doster, Ullum & Boyle, LLC  
Attn: John Boyle  
16090 Swingley Road, Suite 620  
Chesterfield, MO 63017

If to Bank:

HERITAGE BANK OF COMMERCE  
150 South Almaden Blvd.  
San Jose, California 95113  
Attn: Mike Hansen  
FAX: (408) 947-6910  
Email: [Mike.Hansen@herbank.com](mailto:Mike.Hansen@herbank.com)

The parties hereto may change the address at which they are to receive notices hereunder, by notice in writing in the foregoing manner given to the other.

**11. CHOICE OF LAW AND VENUE; JURY TRIAL WAIVER.**

This Agreement shall be governed by, and construed in accordance with, the internal laws of the State of California, without regard to principles of conflicts of law. Each Borrower and Bank hereby submits to the exclusive jurisdiction of the state and Federal courts located in the County of Santa Clara, State of California. BORROWERS AND BANK EACH HEREBY WAIVE THEIR RESPECTIVE RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF ANY OF THE LOAN DOCUMENTS OR ANY OF THE TRANSACTIONS CONTEMPLATED THEREIN, INCLUDING CONTRACT CLAIMS, TORT CLAIMS, BREACH OF DUTY CLAIMS, AND ALL OTHER COMMON LAW OR STATUTORY CLAIMS. EACH PARTY RECOGNIZES AND AGREES THAT THE FOREGOING WAIVER CONSTITUTES A MATERIAL INDUCEMENT FOR IT TO ENTER INTO THIS AGREEMENT. EACH PARTY REPRESENTS AND WARRANTS THAT IT HAS REVIEWED THIS WAIVER WITH ITS LEGAL COUNSEL AND THAT IT KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS FOLLOWING CONSULTATION WITH LEGAL COUNSEL.

If the jury waiver set forth in this Section is not enforceable, then any dispute, controversy or claim arising out of or relating to this Agreement, the Loan Documents or any of the transactions contemplated therein shall be settled by judicial reference pursuant to Code of Civil Procedure Section 638 et seq. before a referee sitting without a jury, such referee to be mutually acceptable to the parties or, if no agreement is reached, by a referee appointed by the Presiding Judge of the California Superior Court for Santa Clara County. This Section shall not restrict a party from exercising remedies under the Code or from exercising pre-judgment remedies under applicable law.

**12. GENERAL PROVISIONS.**

**12.1 Successors and Assigns.** This Agreement shall bind and inure to the benefit of the respective successors and permitted assigns of each of the parties; provided, however, that neither this Agreement nor any rights hereunder may be assigned by any Borrower without Bank's prior written consent, which consent may be granted or withheld in Bank's sole discretion. Bank shall have the right without the consent of or notice to Borrowers to sell, transfer, negotiate, or grant participation in all or any part of, or any interest in, Bank's obligations, rights and benefits hereunder.

**12.2 Indemnification.** Each Borrower shall defend, indemnify and hold harmless Bank and its officers, employees, and agents against: (a) all obligations, demands, claims, and liabilities claimed or asserted by any other party in connection with the transactions contemplated by this Agreement; and (b) all losses or Bank Expenses in any way suffered, incurred, or paid by Bank as a result of or in any way arising out of, following, or consequential to transactions between Bank and Borrowers whether under this Agreement, or otherwise (including without limitation reasonable attorneys' fees and expenses), except for losses caused by Bank's gross negligence or willful misconduct.

**12.3 Time of Essence.** Time is of the essence for the performance of all obligations set forth in this Agreement.

**12.4 Severability of Provisions.** Each provision of this Agreement shall be severable from every other provision of this Agreement for the purpose of determining the legal enforceability of any specific provision.

**12.5 Correction of Loan Documents.** Bank may correct patent errors and fill in any blanks in this Agreement and the other Loan Documents consistent with the agreement of the parties.

**12.6 Amendments in Writing, Integration.** Neither this Agreement nor the Loan Documents can be amended or terminated orally. All prior agreements, understandings, representations, warranties, and negotiations between the parties hereto with respect to the subject matter of this Agreement and the Loan Documents, if any, are merged into this Agreement and the Loan Documents.

**12.7 Counterparts.** This Agreement may be executed in any number of counterparts and by different parties on separate counterparts, each of which, when executed and delivered, shall be deemed to be an original, and all of which, when taken together, shall constitute but one and the same Agreement. In the event that any signature is delivered by facsimile transmission or by e-mail delivery of a ".pdf" format data file, such signature shall create a valid and binding obligation of the party executing (or on whose behalf such signature is executed) with the same force and effect as if such facsimile or ".pdf" signature page were an original thereof. Notwithstanding the foregoing, Borrowers shall deliver all original signed documents requested by Bank no later than ten (10) Business Days following the Closing Date.

**12.8 Survival.** All covenants, representations and warranties made in this Agreement shall continue in full force and effect so long as any Obligations remain outstanding or Bank has any obligation to make Credit Extensions to Borrowers. The obligations of Borrowers to indemnify Bank with respect to the expenses, damages, losses, costs and liabilities described in Section 12.2 shall survive until all applicable statute of limitations periods with respect to actions that may be brought against Bank have run.

**12.9 Confidentiality.** In handling any confidential information Bank and all employees and agents of Bank, including but not limited to accountants, shall exercise the same degree of care that it exercises with respect to its own proprietary information of the same types to maintain the confidentiality of any non-public information thereby received or received pursuant to this Agreement except that disclosure of such information may be made (i) to the subsidiaries or affiliates of Bank in connection with their present or prospective business relations with Borrowers, (ii) to prospective transferees or purchasers of any interest in the loans, provided that they are similarly bound by confidentiality obligations, (iii) as required by law, regulations, rule or order, subpoena, judicial order or similar order, (iv) as may be required in connection with the examination, audit or similar investigation of Bank and (v) as Bank may determine in connection with the enforcement of any remedies hereunder. Confidential information hereunder shall not include information that either: (a) is in the public domain or in the knowledge or possession of Bank when disclosed to Bank, or becomes part of the public domain after disclosure to Bank through no fault of Bank; or (b) is disclosed to Bank by a third party, provided Bank does not have actual knowledge that such third party is prohibited from disclosing such information.

**12.10 Patriot Act Notice.** Bank hereby notifies Borrowers that, pursuant to the requirements of the USA Patriot Act, Title III of Pub. L. 107-56 (signed into law on October 26, 2001) (the "Patriot Act"), it is required to obtain, verify and record information that identifies the Borrowers, which information includes names and addresses and other information that will allow Bank, as applicable, to identify the Borrowers in accordance with the Patriot Act.

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**13.1 Co-Borrowers.** Borrowers are jointly and severally liable for the Obligations and Bank may proceed against one Borrower to enforce the Obligations without waiving its right to proceed against the other Borrower. This Agreement and the Loan Documents are a primary and original obligation of each Borrower and shall remain in effect notwithstanding future changes in conditions, including any change of law or any invalidity or irregularity in the creation or acquisition of any Obligations or in the execution or delivery of any agreement between Bank and any Borrower. Each Borrower shall be liable for existing and future Obligations as fully as if all of the Credit Extensions were advanced to such Borrower. Bank may rely on any certificate or representation made by any Borrower as made on behalf of, and binding on, all Borrowers, including without limitation Advance Request Forms and Compliance Certificates. Each Borrower appoints each other Borrower as its agent with all necessary power and authority to give and receive notices, certificates or demands for and on behalf of all Borrowers, to act as disbursing agent for receipt of any Advances on behalf of each Borrower and to apply to Bank on behalf of each Borrower for Advances, any waivers and any consents. This authorization cannot be revoked, and Bank need not inquire as to one Borrower's authority to act for or on behalf of another Borrower.

**13.2 Subrogation and Similar Rights.** Notwithstanding any other provision of this Agreement or any other Loan Document, each Borrower irrevocably waives, until all obligations are paid in full and Bank has no further obligation to make Credit Extensions to Borrowers, all rights that it may have at law or in equity (including, without limitation, any law subrogating a Borrower to the rights of Bank under the Loan Documents) to seek contribution, indemnification, or any other form of reimbursement from any other Borrower, or any other Person now or hereafter primarily or secondarily liable for any of the Obligations, for any payment made by a Borrower with respect to the Obligations in connection with the Loan Documents or otherwise and all rights that it might have to benefit from, or to participate in, any security for the Obligations as a result of any payment made by a Borrower with respect to the Obligations in connection with the Loan Documents or otherwise. Any agreement providing for indemnification, reimbursement or any other arrangement prohibited under this Section shall be null and void. If any payment is made to a Borrower in contravention of this Section, such Borrower shall hold such payment in trust for Bank and such payment shall be promptly delivered to Bank for application to the Obligations, whether matured or unmatured.

**13.3 Waivers of Notice.** Each Borrower waives, to the extent permitted by law, notice of acceptance hereof; notice of the existence, creation or acquisition of any of the Obligations; notice of the amount of the Obligations outstanding at any time; presentment for payment; demand; protest and notice thereof as to any instrument; and all other notices and demands to which Borrower would otherwise be entitled by virtue of being a co-borrower or a surety. Each Borrower waives any defense arising from any defense of any other Borrower, or by reason of the cessation from any cause whatsoever of the liability of any other Borrower. Bank's failure at any time to require strict performance by any Borrower of any provision of the Loan Documents shall not waive, alter or diminish any right of Bank thereafter to demand strict compliance and performance therewith. Each Borrower also waives any defense arising from any act or omission of Bank that changes the scope of Borrower's risks hereunder. Each Borrower hereby waives any right to assert against Bank any defense (legal or equitable), setoff, counterclaim, or claims that such Borrower individually may now or hereafter have against another Borrower or any other Person liable to Bank with respect to the Obligations in any manner or whatsoever.

**13.4 Subrogation Defenses.** Until all Obligations are paid in full and Bank has no further obligation to make Credit Extensions to Borrowers, each Borrower hereby waives any defense based on impairment or destruction of its subrogation or other rights against any other Borrower and waives all benefits which might otherwise be available to it under California Civil Code Sections 2809, 2810, 2819, 2839, 2845, 2848, 2849, 2850, 2899, and 3433 and California Code of Civil Procedure Sections 580a, 580b, 580d and 726, as those statutory provisions are now in effect and hereafter amended, and under any other similar statutes now and hereafter in effect.

**13.5 Right to Settle, Release.**

(a) The liability of Borrowers hereunder shall not be diminished by (i) any agreement, understanding or representation that any of the Obligations is or was to be guaranteed by another Person or secured by other property, or (ii) any release or unenforceability, whether partial or total, of rights, if any, which Bank may now or hereafter have against any other Person, including another Borrower, or property with respect to any of the Obligations.

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(b) Without notice to any given Borrower and without affecting the liability of any given Borrower hereunder, Bank may (i) compromise, settle, renew, extend the time for payment, change the manner or terms of payment, discharge the performance of, decline to enforce, or release all or any of the Obligations with respect to any other Borrower by written agreement with such other Borrower, (ii) grant other indulgences to another Borrower in respect of the Obligations, (iii) modify in any manner any documents relating to the Obligations with respect to any other Borrower by written agreement with such other Borrower, (iv) release, surrender or exchange any deposits or other property securing the Obligations, whether pledged by a Borrower or any other Person, or (v) compromise, settle, renew, or extend the time for payment, discharge the performance of, decline to enforce, or release all or any obligations of any guarantor, endorser or other Person who is now or may hereafter be liable with respect to any of the Obligations.


**13.6 Subordination.** All indebtedness of a Borrower now or hereafter arising held by another Borrower, except as disclosed in the attached Schedule, is subordinated to the Obligations and the Borrower holding the indebtedness shall take all actions reasonably requested by Bank to effect, to enforce and to give notice of such subordination.

[SIGNATURE PAGE FOLLOWS]


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**"BORROWERS"**

**DIGITAL GLOBE SERVICES INC.**

By:   
Name: Jeff Cox  
Title: Chief Executive Officer

**TELSATONLINE INC.**

By:   
Name: Jeff Cox  
Title: Chief Executive Officer

**DGS EDU, LLC**

By: Digital Globe Services, Inc.  
Its: Sole Member

By:   
Name: Jeff Cox  
Title: Chief Executive Officer

**"BANK"**

**HERITAGE BANK OF COMMERCE**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

[SIGNATURE PAGE TO LOAN AND SECURITY AGREEMENT]

**DEBTOR:** DIGITAL GLOBE SERVICES INC. and TELSATONLINE INC., and DGS EDU, LLC

**SECURED PARTY:** HERITAGE BANK OF COMMERCE

**EXHIBIT A**

**COLLATERAL DESCRIPTION ATTACHMENT  
TO LOAN AND SECURITY AGREEMENT**

All personal property of each Borrower (herein referred to as "Borrower" or "Debtor") whether presently existing or hereafter created or acquired, and wherever located, including, but not limited to:

(a) all accounts (including health-care-insurance receivables), chattel paper (including tangible and electronic chattel paper), commercial tort claims, deposit accounts, securities accounts, documents (including negotiable documents), equipment (including all accessions and additions thereto), general intangibles (including payment intangibles and software), goods (including fixtures), instruments (including promissory notes), inventory (including all goods held for sale or lease or to be furnished under a contract of service, and including returns and repossessions), investment property (including securities and securities entitlements), letter of credit rights, money, and all of Debtor's books and records with respect to any of the foregoing, and the computers and equipment containing said books and records;

(b) any and all cash proceeds and/or noncash proceeds of any of the foregoing, including, without limitation, insurance proceeds, and all supporting obligations and the security therefor or for any right to payment. All terms above have the meanings given to them in the California Uniform Commercial Code, as amended or supplemented from time to time.

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**HERITAGE**  
BANK OF COMMERCIAL

**Loan Advance / Payment Request Form**

FAX to Corporate Finance Division (408) 947-6910 or Email to: ABL@HERBANK.COM

The Deadline for an Advance Request is 11:00 AM

Client Name. _____		Date _____	Time _____
Requested By. _____		(Print Name)	
(Authorized Signature)			
Received from Client By	<input type="checkbox"/> Telephone	<input type="checkbox"/> Email	<input type="checkbox"/> In Person <input type="checkbox"/> Fax
<b>Advances</b>		<b>Payments</b>	
Amount Requested. _____		<input type="checkbox"/> Principal Reduction	<input type="checkbox"/> Regular Payment
Loan #. _____		<input type="checkbox"/> Regular Payment Plus Extra to Principal	
Credit Account _____		Amount Requested _____	
Other _____		Loan # _____	
		Debit Account _____	
		Other _____	
Comments. _____			
<i>Below For Bank Use Only</i>			
<b>Revolving - Formula A/R LOC</b>		<b>Compliance Status:</b>	
Borrowing Base <small>(Per LOC Form # 302/307)</small> _____		Maturity _____	
Current Loan Balance _____		Risk Grade _____	
Less Advance requested. _____		Reports <input type="checkbox"/> OK <input type="checkbox"/> In Violation (See Comments)	
Less Other. _____		Covenant <input type="checkbox"/> OK <input type="checkbox"/> In Violation (See Comments)	
<b>Net Available Balance:</b> _____		Number of Advances with Violations per month (Circle One)	1 2 3 4 5 6 7+
		Frozen. <input type="checkbox"/> Yes - Requires Credit Admin Approval <input type="checkbox"/> No	
Comments: _____			
_____			
_____			
_____			
<b>Approvals For Funding:</b>		Block # _____	LSS Initial _____
Compliance Credit Analyst	_____	(Signature)	
Account Officer	_____	(Signature)	
Regional Manager/Team Lead	_____	(Signature)	
Credit Administration	_____	(Signature)	

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**EXHIBIT C  
BORROWING BASE CERTIFICATE**

Borrower:	Digital Globe Services Inc., and TelSatOnline Inc., and DGS Edu, LLC	Lender:	HERITAGE BANK OF COMMERCE
Commitment Amount:	\$3,000,000	Loan #:	

ACCOUNTS RECEIVABLE

1	Accounts Receivable Book Value as of:			\$0
2	Additions			\$0
3	<b>Total Accounts Receivable:</b>			\$0

ACCOUNTS RECEIVABLE DEDUCTIONS

4	A/R Aged over 90 Days from invoice date		\$0	
5	Contra Accounts		\$0	
6	Concentrations	30%	\$0	
7	Cross aging over	25%	\$0	
8	Foreign Accounts (Net of >90s, w/out Insurance or LC)		\$0	
9	Government Accounts (Net of >90s)		\$0	
10	Affiliate/Employee Accounts (Net of >90s)		\$0	
11	Over 90 credits		\$0	
12	Other Deductions		\$0	
13	<b>Total Ineligible Accounts:</b>		\$0	
14	<b>Total Eligible Accounts (#3 minus #13)</b>			\$0
15	Advance Rate			80%
16	<b>Total Accrued Accounts</b>			\$0
17	Advance Rate			65%
18	<b>Borrowing Base (#14 multiplied by #15, plus #16 multiplied by #17)</b>			\$0

BALANCES

19	Maximum Loan Amount		\$3,000,000	
20	<b>Total Borrowing Capacity (lesser of #18 and #19)</b>			\$0
21	Less: Present Balance owing on Line of Credit			\$0
22	Less: issued Letters of Credit or other balances			\$0
23	<b>Remaining Availability (#20 minus #21 &amp; #22)</b>			\$0

COVENANT COMPLIANCE:

Asset Coverage Ratio	<b>Required</b>	<b>Actual</b>	<b>Complies?</b>
Min Adjusted EBITDA	1.3:1.0		(Yes/No)
	75% of Plan		

If line #23 is a negative number, this amount must be remitted to the Bank immediately to bring loan balance into compliance. By signing this form you authorize Bank to deduct any advance amounts directly from the company's checking account at HERITAGE BANK OF COMMERCE in the event there is an overadvance.

The undersigned represents and warrants that the foregoing is true, complete and correct, and that the information reflected in this Borrowing Base Certificate complies with the representations and warranties set forth in the Loan and Security Agreement between the undersigned and HERITAGE BANK OF COMMERCE.

Borrower hereby requests funding in the amount of \_\_\_\_\_ in accordance with this Borrowing Base Certificate. All representations and warranties of Borrower stated in the Loan and Security Agreement are true, correct, and complete in all material respects as of the date of this Borrowing Base Certificate; provided that those representations and warranties expressly referring to another date shall be true, correct, and complete in all material respects as of such date.

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By (Authorized Signer):

Title:

Date:

Reviewed by Bank:

Title:

Date:

**Bank Use Only:**

**Borrowing Base**

**Update:**

Date of BBC: BBC status: BBC expired - Do not Fund  
 BBC expiration date: Total Borrowing Capacity:  
 Current date: Outstanding Balance:  
 Remaining Availability:

Reviewed by:  
 Approved by:  
 Posted by:

**Loan Advance:**

Reporting in Compliance? Yes / No  
 Covenant in Compliance? Yes / No  
*If out of Compliance, what is the violation?*

Outstanding Loan Balance: \$0  
 Amount of Advance: (Must be equal or less than BBC Availability) \$0  
 Loan Account #: New  
 Deposit to DDA: Acct #: \_\_\_\_\_ \$0  
 New Outstanding Loan Balance: \$0

**Loan Payment:**

Type of Payment: Overadvance / Per client's request

Outstanding Loan Balance: \$0  
 Amount of Payment: \$0  
 Loan Account #: New  
 Account to be charged: Acct #: \_\_\_\_\_ \$0  
 New Outstanding Loan Balance: \$0

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**EXHIBIT D  
COMPLIANCE CERTIFICATE**

TO: HERITAGE BANK OF COMMERCE

FROM: DIGITAL GLOBE SERVICES INC. and TELSATONLINE INC., and DGS EDU, LLC

The undersigned authorized officer of DIGITAL GLOBE SERVICES INC. on behalf of all Borrowers, hereby certifies that in accordance with the terms and conditions of the Loan and Security Agreement between Borrowers and Bank (the "Agreement"), (i) each Borrower is in complete compliance for the period ending \_\_\_\_\_ with all required covenants except as noted below and (ii) all representations and warranties of each Borrower stated in the Agreement are true and correct as of the date hereof. Attached herewith are the required documents supporting the above certification. The Officer further certifies that these are prepared in accordance with Generally Accepted Accounting Principles (GAAP) and are consistently applied from one period to the next except as explained in an accompanying letter or footnotes.

**Please indicate compliance status by circling Yes/No under "Complies" column.**

**Reporting Covenant**

A/R & A/P Agings + Borrowing Base Certificate  
 Deferred Revenue listing and Inventory Report  
 Compliance Certificate  
 Monthly financial statements  
 Annual financial statements (CPA Audited)  
 IOK and IOQ  
 A/R Audit  
 IP Notices

**Required**

Semi-monthly on the 15<sup>th</sup> and 30<sup>th</sup>  
 Semi-monthly on the 15<sup>th</sup> and 30<sup>th</sup>  
 Semi-monthly on the 15<sup>th</sup> and 30<sup>th</sup>  
 Quarterly within 45 days  
 FYE within 120 days  
 (as applicable)  
 Semi-annual  
 As required under Section 6.10

**Complies**

Yes	No
Yes	No
Yes	No
Yes	No
Yes	No
Yes	No
Yes	No
Yes	No
Yes	No

**Financial Covenant**

Asset Coverage Ratio  
 Adjusted EBITDA

**Required**

1.3 : 1.00  
 See Agreement

**Actual**

\_\_\_\_ : 1.00  
 \$ \_\_\_\_\_

**Complies**

Yes	No
Yes	No

**Comments Regarding Exceptions:** See Attached.

Sincerely,

\_\_\_\_\_  
SIGNATURE

\_\_\_\_\_  
TITLE

\_\_\_\_\_  
DATE

<b>BANK USE ONLY</b>	
Received by:	_____ AUTHORIZED SIGNER
Date:	_____
Verified:	_____ AUTHORIZED SIGNER
Date:	_____
Compliance Status	Yes No

*WP*



SCHEDULE OF EXCEPTIONS

Permitted Indebtedness (Section 1.1)

The 8% intercompany loan from Digital Globe Services Ltd to Digital Globe Services Inc. with the principal amount outstanding as of March 31, 2015 at US\$3,300,000 and accumulated interest of US\$877,954

Permitted Investments (Section 1.1)

No Permitted Investments other than Subsidiaries

Permitted Liens (Section 1.1)

Texas State Tax Lien, \$1,305.77 for TelsatOnline

Inbound Licenses (Section 5.6)

Prior Names (Section 5.7)

Digital Globe Services, LLC

TelSatOnline, LLC

TelSat Online, Inc.

Litigation (Section 5.8)

None

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THE NOTE REPRESENTED BY THIS CERTIFICATE HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AND HAS BEEN ACQUIRED FOR INVESTMENT AND NOT WITH A VIEW TO, OR IN CONNECTION WITH, THE SALE OR DISTRIBUTION THEREOF. NO SUCH SALE OR DISTRIBUTION MAY BE EFFECTED WITHOUT AN EFFECTIVE REGISTRATION STATEMENT RELATED THERETO OR AN OPINION OF COUNSEL IN A FORM SATISFACTORY TO THE COMPANY THAT SUCH REGISTRATION IS NOT REQUIRED UNDER THE SECURITIES ACT OF 1933.

SENIOR SECURED NOTE

\$ \_\_\_\_\_  
Note Number: \_\_\_\_\_

\_\_\_\_\_, 2015  
Clearwater, Florida

FOR VALUE RECEIVED, e-TeleQuote Insurance, Inc., a Florida corporation (the "Company"), promises to pay to \_\_\_\_\_ (the "Holder"), subject to the terms and conditions set forth herein, the principal sum of \_\_\_\_\_ (\$ \_\_\_\_\_). This Senior Secured Note (this "Note") is issued as of the date first written above (the "Issuance Date") and is one of a series of notes containing substantially identical terms and conditions issued pursuant to that certain Note Purchase Agreement dated as of February 19, 2014 (as amended, restated or otherwise modified from time to time, the "NPA"). Capitalized terms used herein and not otherwise defined shall have the meanings given to such terms in the NPA. Such notes are referred to herein collectively as the "Notes," and the holders thereof are referred to herein collectively as the "Holders". This Note is subject to the following terms and conditions.

1. **Maturity: Payment.** Subject to the terms hereof, the Maturity Date for this Note shall be the one year anniversary of the Closing on \_\_\_\_\_, 2015 (\_\_\_\_\_, 2016); provided, however, that this Note is callable in advance of the Maturity Date by the Company in its sole discretion in accordance with Section 2(d) of the NPA. Payments of accrued interest shall be made on this Note on the nineteenth calendar day of each month (each a "Monthly Payment Date") beginning in March, 2015. If the nineteenth calendar day of a month is not a business day, payments shall be made on the next business day. At the Maturity Date, even if the Company has not repaid in full the principal and all interest accrued thereon, all obligations under this Note shall become due and payable and the Holder (together with the other Holders) shall have recourse to the Collateral.

2. **Interest Payment and Accrual.** On each Monthly Payment Date, the Company will compute the principal and compute and distribute the interest payable on this Note. The average monthly outstanding Note principal for the preceding calendar month will earn interest at an annual rate of 18%, calculated using a month of 30 calendar days divided by a year of 360 calendar days. In the event the Company fails to make any principal or interest payment then due on a Monthly Payment Date, such overdue amount shall thereafter accrue additional interest at an annual rate of 2% (so that the total interest rate is 20% per annum), calculated using a month of 30 calendar days divided by a year of 360 calendar days.

3. **Payment; Prepayment.**

A. In accordance with Section 1 hereof, payments of interest on this Note shall be made commencing in March, 2015. Payments shall be characterized first as interest then due and payable, computed according to Section 2 above, and the remainder of any payments to the Holder shall be characterized as amortized principal.

B. All payments shall be made in lawful money of the United States of America at such place as the Holder hereof may from time to time designate in writing to the Company.

C. As provided in the NPA, the Company may return Note principal to the Holder in advance of the Maturity Date so long as the Company concurrently pays in connection with such prepayment a prepayment fee in an amount calculated pursuant to Section 2(d) of the NPA as well as all accrued and unpaid interest.

4. **Events of Default.** Upon the occurrence of any of the following events (each an "**Event of Default**"):

A. The Company fails to pay when due any principal of, or interest on, this Note and such failure shall continue for 10 business days;

B. The Company shall become insolvent or generally fail to pay, or admit in writing its inability or unwillingness to pay, debts as they become due;

C. The Company shall apply for, consent to or acquiesce in the appointment of a trustee, receiver, sequestrator or other custodian for the Company or any property thereof, or make a general assignment for the benefit of creditors;

D. The Company shall permit or suffer to exist the appointment of a trustee, receiver, sequestrator or other custodian for the Company or for a substantial part of the property thereof, and such trustee, receiver, sequestrator or other custodian shall not be discharged within 60 days;

E. The Company shall permit or suffer to exist the commencement of any bankruptcy, reorganization, debt arrangement or other case or proceeding under any bankruptcy or insolvency law, or any dissolution, winding up or liquidation proceeding, in respect of the Company and, if any such case or proceeding is not commenced by the Company, such case or proceeding shall be consented to or acquiesced in by the Company or shall result in the entry of an order for relief or shall remain for 60 days undismissed;

F. Either of the Guaranties from The Resource Group International Limited, an exempt Bermuda company ("**TRG**") or Etelequote plc, a United Kingdom corporation (each a "**Guarantor**") ceases for any reason to be in full force and effect, or either Guarantor fails to perform any obligation under either Guaranty or a security agreement securing any Guaranty (collectively, the "**Guaranty Documents**"), or any event of default occurs under any Guaranty Document or any guarantor revokes or purports to revoke a Guaranty, or any of the circumstances described in clauses B through E above occur with respect to any Guarantor; or

G. TRG fails to deliver and pledge the Additional Collateral as required pursuant to Section 2(a) of the NPA and such failure shall continue for 10 business days;

H. The Company fails or neglects to perform, keep, or observe any other term, provision, condition, covenant or agreement contained in any Document, and as to any default (other than those otherwise specified in this Section) under such other term, provision, condition, covenant or agreement that can be cured, has failed to cure the default within 10 business days after the occurrence thereof; provided, however, that if the default cannot by its nature be cured within the 10 business day period or cannot after diligent attempts by the Company be cured within such 10 business day period, and such default is likely to be cured within a reasonable time, then the Company shall have an additional period (which shall not in any case exceed 30 days) to attempt to cure such default, and within such reasonable time period the failure to cure the default shall not be deemed an Event of Default;

I. Any representation or warranty of the Company set forth in any Document shall prove to have been false or incorrect in any material respects when made or furnished; or

J. There is an Event of Default under any other Note issued pursuant to the NPA;

then the Holder may, with the prior written consent of the Required Purchasers, (i) declare this Note and the principal of and accrued interest hereon, and all other amounts payable hereunder, to be forthwith due and payable in full (provided that this Note and all amounts payable hereunder shall be immediately due and payable without any action by the Holder upon the occurrence of any Event of Default pursuant to clauses (B) through (E) of Section 4); and (B) exercise such rights and remedies with respect to the Collateral as are available to a secured party under the Code and other applicable laws. The Company shall pay all costs of the Holder incurred in connection with the enforcement and collection of this Note, including but not limited to all reasonable attorneys' fees, court costs and expenses incurred by the Holder in connection with such preparation, negotiation, execution, delivery, enforcement and collection hereunder.

5. **Transfer; Successors and Assigns.** The terms and conditions of this Note shall inure to the benefit of and be binding upon the respective successors and assigns of the parties. Notwithstanding the foregoing, neither the Holder nor the Company may assign, pledge, or otherwise transfer this Note without the prior written consent of the other party. Subject to the preceding sentence, this Note may be transferred only upon surrender of the original Note for registration of transfer, duly endorsed, or accompanied by a duly executed written instrument of transfer in form satisfactory to the Company. Thereupon, a new note for the same principal amount and interest will be issued to, and registered in the name of, the transferee. Interest and principal are payable only to the registered holder of this Note.

6. **Governing Law.** This Note and all acts and transactions pursuant hereto and the rights and obligations of the parties hereto shall be governed, construed and interpreted in accordance with the laws of the State of Florida, without giving effect to principles of conflicts of law.

7. **Notices.** Any notice required or permitted by this Agreement shall be in writing and shall be deemed sufficient upon receipt, when delivered personally or by courier, overnight delivery service or confirmed facsimile, or 24 hours after confirmation of delivery by electronic mail, or 48 hours after being deposited in the U.S. mail as certified or registered mail with postage prepaid, if such notice is addressed to the party to be notified at such party's address, electronic mail address or facsimile number as set forth below or as subsequently modified by written notice. In the event notices are deposited in the US mail or delivered personally, by overnight delivery service or facsimile, the sender of such notice shall also provide the recipient with a copy of such notice via electronic mail at the appropriate e-mail address set forth below, which electronic mail shall not constitute notice.

8. **Amendments and Waivers.** Any term of this Note may be amended only with the written consent of the Company and the Required Purchasers. Any amendment or waiver effected in accordance with this **Section 8** shall be binding upon the Company, each Holder and each transferee of any Note.

9. **Officers and Directors Not Liable.** In no event shall any officer or director of the Company be personally liable for any amounts due or payable pursuant to this Note.

10. **Interest Rate Limitation.** Notwithstanding anything to the contrary contained in this Note or the NPA (the "Loan Documents"), the interest paid or agreed to be paid under the Loan Documents shall not exceed the maximum rate of non-usurious interest permitted by applicable law (the "Maximum Rate"). If the Holder shall receive interest in an amount that exceeds the Maximum Rate, the excess interest shall be applied to the principal remaining owed under this Note or, if it exceeds such unpaid principal, refunded to the Company. In determining whether the interest contracted for, charged, or received by the Holder exceeds the Maximum Rate, the Holder may, to the extent permitted by applicable law, (a) characterize any payment that is not principal as an expense, fee, or premium rather than interest, (b) exclude voluntary prepayments and the effects thereof, and (c) amortize, prorate, allocate, and spread in equal or unequal parts the total amount of interest throughout the contemplated term of this Note.

11. **Loss of Note.** Upon receipt by the Company of evidence satisfactory to it of the loss, theft, destruction or mutilation of this Note or any Note exchanged for it, and indemnity satisfactory to the Company (in case of loss, theft or destruction) or surrender and cancellation of such Note (in the case of mutilation), the Company will make and deliver in lieu of such Note a new Note of like tenor.

12. **Counterparts.** This Note may be executed in any number of counterparts, each of which will be deemed to be an original and all of which together will constitute a single agreement.

13. **Pari Passu Notes.** Holder acknowledges and agrees that the payment of all or any portion of the outstanding principal amount of this Note and all interest hereon shall be pari passu in right of payment and in all other respects to the other Notes. In the event Holder receives payments in excess of its pro rata share of the Company's payments to the Holders of all of the Notes, then Holder shall hold in trust all such excess payments for the benefit of the Holders of the other Notes and shall pay such amounts held in trust to such other Holders upon demand by such Holders.

*[Signature Page Follows]*

IN WITNESS WHEREOF, the undersigned have executed this Senior Secured Note as of the date first written above.

**COMPANY:**

**E-TELEQUOTE INSURANCE, INC.**

By: \_\_\_\_\_

By: \_\_\_\_\_

Its: \_\_\_\_\_

Address:

Email: \_\_\_\_\_

**AGREED TO AND ACCEPTED**

\_\_\_\_\_

\_\_\_\_\_  
(Signature)

Name: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Electronic Mail:

Phone:

Fax:

Preferred Payment Method:

Check

Wire Transfer (please include wire transfer instructions)

Routing:

Account :

**SIGNATURE PAGE TO THE SENIOR SECURED NOTE OF ETELEQUOTE INSURANCE, INC.**

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THE NOTE REPRESENTED BY THIS CERTIFICATE HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AND HAS BEEN ACQUIRED FOR INVESTMENT AND NOT WITH A VIEW TO, OR IN CONNECTION WITH, THE SALE OR DISTRIBUTION THEREOF. NO SUCH SALE OR DISTRIBUTION MAY BE EFFECTED WITHOUT AN EFFECTIVE REGISTRATION STATEMENT RELATED THERETO OR AN OPINION OF COUNSEL IN A FORM SATISFACTORY TO THE COMPANY THAT SUCH REGISTRATION IS NOT REQUIRED UNDER THE SECURITIES ACT OF 1933.

SENIOR SECURED NOTE

\$ \_\_\_\_\_  
Note Number: \_\_\_\_\_

\_\_\_\_\_, 2016  
Clearwater, Florida

**FOR VALUE RECEIVED**, e-TeleQuote Insurance, Inc., a Florida corporation (the "Company"), promises to pay to \_\_\_\_\_ (the "Holder"), subject to the terms and conditions set forth herein, the principal sum of \_\_\_\_\_ Dollars (\$ \_\_\_\_\_). This Senior Secured Note (this "Note") is issued as of the date first written above (the "Issuance Date") and is one of a series of notes containing substantially identical terms and conditions issued pursuant to that certain Note Purchase Agreement dated as of February 19, 2014 (as amended, restated or otherwise modified from time to time, the "NPA"). Capitalized terms used herein and not otherwise defined shall have the meanings given to such terms in the NPA. Such notes are referred to herein collectively as the "Notes," and the holders thereof are referred to herein collectively as the "Holders". This Note is subject to the following terms and conditions.

1. **Maturity; Payment**. Subject to the terms hereof, the "Maturity Date" for this Note shall be the one year anniversary of the "Closing" on \_\_\_\_\_, 2016 (\_\_\_\_\_, 2017); provided, however, that this Note is callable in advance of the Maturity Date by the Company in its sole discretion in accordance with Section 2(d) of the NPA. Payments of accrued interest shall be made on this Note on the nineteenth (19th) calendar day of each month (each a "Monthly Payment Date") beginning in the month that is one month after the Issuance Date. If the nineteenth (19th) calendar day of a month is not a business day, payments shall be made on the next business day. At the Maturity Date, even if the Company has not repaid in full the principal and all interest accrued thereon, all obligations under this Note shall become due and payable and the Holder (together with the other Holders) shall have recourse to the Collateral.

2. **Interest Payment and Accrual**. On each Monthly Payment Date, the Company will compute the principal and compute and distribute the interest payable on this Note. The average monthly outstanding Note principal for the preceding calendar month will earn interest at an annual rate of 15%, calculated using a month of thirty (30) calendar days divided by a year of 360 calendar days. In the event the Company fails to make any principal or interest payment then due on a Monthly Payment Date, such overdue amount shall thereafter accrue additional interest at an annual rate of 2% (so that the total interest rate is 17% per annum), calculated using a month of thirty (30) calendar days divided by a year of 360 calendar days.

3. **Payment, Prepayment.**

A. In accordance with Section 1 hereof, payments of interest on this Note shall be made commencing in the month that is one month after the Issuance Date. Payments shall be characterized first as interest then due and payable, computed according to Section 2 above, and the remainder of any payments to the Holder shall be characterized as amortized principal.

B. All payments shall be made in lawful money of the United States of America at such place as the Holder hereof may from time to time designate in writing to the Company.

C. As provided in the NPA, the Company may return Note principal to the Holder in advance of the Maturity Date, so long as the Company concurrently pays in connection with such prepayment a prepayment fee in an amount calculated pursuant to Section 2(d) of the NPA as well as all accrued and unpaid interest.

4. **Events of Default.** Upon the occurrence of any of the following events (each an "**Event of Default**"):

A. The Company fails to pay when due any principal of, or interest on, this Note and such failure shall continue for ten (10) business days;

B. The Company shall become insolvent or generally fail to pay, or admit in writing its inability or unwillingness to pay, debts as they become due;

C. The Company shall apply for, consent to or acquiesce in the appointment of a trustee, receiver, sequestrator or other custodian for the Company or any property thereof, or make a general assignment for the benefit of creditors;

D. The Company shall permit or suffer to exist the appointment of a trustee, receiver, sequestrator or other custodian for the Company or for a substantial part of the property thereof, and such trustee, receiver, sequestrator or other custodian shall not be discharged within sixty (60) days;

E. The Company shall permit or suffer to exist the commencement of any bankruptcy, reorganization, debt arrangement or other case or proceeding under any bankruptcy or insolvency law, or any dissolution, winding up or liquidation proceeding, in respect of the Company and, if any such case or proceeding is not commenced by the Company, such case or proceeding shall be consented to or acquiesced in by the Company or shall result in the entry of an order for relief or shall remain for sixty (60) days undismissed;

F. Either of the Guaranties from The Resource Group International Limited, an exempt Bermuda company ("**TRG**") or Etelequote plc., a United Kingdom corporation (each a "**Guarantor**") ceases for any reason to be in full force and effect, or either Guarantor fails to perform any obligation under either Guaranty or a security agreement securing any Guaranty (collectively, the "**Guaranty Documents**"), or any event of default occurs under any Guaranty Document or any guarantor revokes or purports to revoke a Guaranty, or any of the circumstances described in clauses B through E above occur with respect to any Guarantor;



G. TRG fails to deliver and pledge the Additional Collateral as required pursuant to Section 2(a) of the NPA and such failure shall continue for ten (10) business days;

H. The Company fails or neglects to perform, keep, or observe any other term, provision, condition, covenant or agreement contained in any Document, and as to any default (other than those otherwise specified in this Section) under such other term, provision, condition, covenant or agreement that can be cured, has failed to cure the default within ten (10) business days after the occurrence thereof; provided, however, that if the default cannot by its nature be cured within the ten (10) business day period or cannot after diligent attempts by the Company be cured within such ten (10) business day period, and such default is likely to be cured within a reasonable time, then the Company shall have an additional period (which shall not in any case exceed thirty (30) days) to attempt to cure such default, and within such reasonable time period the failure to cure the default shall not be deemed an Event of Default;

I. Any representation or warranty of the Company set forth in any Document shall prove to have been false or incorrect in any material respects when made or furnished; or

J. There is an Event of Default under any other Note issued pursuant to the NPA;

then the Holder may, with the prior written consent of the Required Purchasers, (i) declare this Note and the principal of and accrued interest hereon, and all other amounts payable hereunder, to be forthwith due and payable in full (provided that this Note and all amounts payable hereunder shall be immediately due and payable without any action by the Holder upon the occurrence of any Event of Default pursuant to clauses (B) through (E) of Section 4); and (ii) exercise such rights and remedies with respect to the Collateral as are available to a secured party under the Code and other applicable laws. The Company shall pay all costs of the Holder incurred in connection with the enforcement and collection of this Note, including but not limited to all reasonable attorneys' fees, court costs and expenses incurred by the Holder in connection with such preparation, negotiation, execution, delivery, enforcement and collection hereunder.

5. **Transfer; Successors and Assigns.** The terms and conditions of this Note shall inure to the benefit of and be binding upon the respective successors and assigns of the parties. Notwithstanding the foregoing, neither the Holder nor the Company may assign, pledge, or otherwise transfer this Note without the prior written consent of the other party. Subject to the preceding sentence, this Note may be transferred only upon surrender of the original Note for registration of transfer, duly endorsed, or accompanied by a duly executed written instrument of transfer in form satisfactory to the Company. Thereupon, a new note for the same principal amount and interest will be issued to, and registered in the name of, the transferee. Interest and principal are payable only to the registered holder of this Note.

6. **Governing Law.** This Note and all acts and transactions pursuant hereto and the rights and obligations of the parties hereto shall be governed, construed and interpreted in accordance with the laws of the State of Florida, without giving effect to principles of conflicts of law.

7. **Notices.** Any notice required or permitted by this Agreement shall be in writing and shall be deemed sufficient upon receipt, when delivered personally or by courier, overnight delivery service or confirmed facsimile, or 24 hours after confirmation of delivery by electronic mail, or 48 hours after being deposited in the U.S. mail as certified or registered mail with postage prepaid, if such notice is addressed to the party to be notified at such party's address, electronic mail address or facsimile number as set forth below or as subsequently modified by written notice. In the event notices are deposited in the U.S. mail or delivered personally, by overnight delivery service or facsimile, the sender of such notice shall also provide the recipient with a copy of such notice via electronic mail at the appropriate e-mail address set forth below, which electronic mail shall not constitute notice.

8. **Amendments and Waivers.** Any term of this Note may be amended only with the written consent of the Company and the Required Purchasers (as defined in the NPA), provided that, except as set forth in Section 13, any amendment which affects the Holder in a manner that is materially adverse to the Holder, relative to the other Holders, shall additionally require the written consent of the Holder. Any amendment or waiver effected in accordance with this Section 8 shall be binding upon the Company, each Holder and each transferee of any Note.

9. **Officers and Directors Not Liable.** In no event shall any officer or director of the Company be personally liable for any amounts due or payable pursuant to this Note.

10. **Interest Rate Limitation.** Notwithstanding anything to the contrary contained in this Note or the NPA (the "**Loan Documents**"), the interest paid or agreed to be paid under the Loan Documents shall not exceed the maximum rate of non-usurious interest permitted by applicable law (the "**Maximum Rate**"). If the Holder shall receive interest in an amount that exceeds the Maximum Rate, the excess interest shall be applied to the principal remaining owed under this Note or, if it exceeds such unpaid principal, refunded to the Company. In determining whether the interest contracted for, charged, or received by the Holder exceeds the Maximum Rate, the Holder may, to the extent permitted by applicable law, (a) characterize any payment that is not principal as an expense, fee, or premium rather than interest, (b) exclude voluntary prepayments and the effects thereof, and (c) amortize, prorate, allocate, and spread in equal or unequal parts the total amount of interest throughout the contemplated term of this Note.

11. **Loss of Note.** Upon receipt by the Company of evidence satisfactory to it of the loss, theft, destruction or mutilation of this Note or any Note exchanged for it, and indemnity satisfactory to the Company (in case of loss, theft or destruction) or surrender and cancellation of such Note (in the case of mutilation), the Company will make and deliver in lieu of such Note a new Note of like tenor.

12. **Counterparts.** This Note may be executed in any number of counterparts, each of which will be deemed to be an original and all of which together will constitute a single agreement.

13. **Pari Passu Notes.** Holder acknowledges and agrees that the payment of all or any portion of the outstanding principal amount of this Note and all interest hereon shall be pari passu in right of payment and in all other respects to the other Notes, unless the Required Purchasers have agreed otherwise. In the event Holder receives payments in excess of its pro rata share of the Company's payments to the Holders of all of the Notes, then Holder shall hold in trust all such excess payments for the benefit of the Holders of the other Notes and shall pay such amounts held in trust to such other Holders upon demand by such Holders.

*[Signature Page Follows]*

IN WITNESS WHEREOF, the undersigned have executed this Senior Secured Note of the date first written above.

**COMPANY:**

**E-TELEQUOTE INSURANCE, INC.**

By: \_\_\_\_\_

\_\_\_\_\_  
Its:

Address:

Email:

Signature Page To The Senior Secure Note - Company

**AGREED TO AND ACCEPTED [HOLDER]**

**[HOLDER]**

\_\_\_\_\_  
(Signature)

Name: \_\_\_\_\_  
(Print)

Title: \_\_\_\_\_

Address

Electronic Mail:

Phone:

Fax (optional)

Preferred Payment Method (please check one):

Check

Wire Transfer / ACH (please include wire transfer ACH instructions below)

Bank Name: \_\_\_\_\_

Bank ABA/Routing U for wire transfers: \_\_\_\_\_

Bank ABA/Routing # for ACH (if different from wire transfer)

Beneficial Account # at bank: \_\_\_\_\_

THE NOTE REPRESENTED BY THIS CERTIFICATE HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AND HAS BEEN ACQUIRED FOR INVESTMENT AND NOT WITH A VIEW TO, OR IN CONNECTION WITH, THE SALE OR DISTRIBUTION THEREOF. NO SUCH SALE OR DISTRIBUTION MAY BE EFFECTED WITHOUT AN EFFECTIVE REGISTRATION STATEMENT RELATED THERETO OR AN OPINION OF COUNSEL IN A FORM SATISFACTORY TO THE COMPANY THAT SUCH REGISTRATION IS NOT REQUIRED UNDER THE SECURITIES ACT OF 1933.

SENIOR SECURED NOTE

\$ \_\_\_\_\_  
Note Number: \_\_\_\_\_

\_\_\_\_\_, 2017  
Clearwater, Florida

FOR VALUE RECEIVED, e-TeleQuote Insurance, Inc., a Florida corporation (the "Company"), promises to pay to \_\_\_\_\_ (the "Holder"), subject to the terms and conditions set forth herein, the principal sum of \_\_\_\_\_ (\$ \_\_\_\_\_). This Senior Secured Note (this "Note") is issued as of the date first written above (the "Issuance Date") and is one of a series of notes containing substantially identical terms and conditions issued pursuant to that certain Note Purchase Agreement dated as of June, 2017 (as amended, restated or otherwise modified from time to time, the "NPA"). Capitalized terms used herein and not otherwise defined shall have the meanings given to such terms in the NPA. Such notes are referred to herein collectively as the "Notes," and the holders thereof are referred to herein collectively as the "Holders". This Note is subject to the following terms and conditions.

1. **Maturity; Payment.** Subject to the terms hereof, the "Maturity Date" for this Note shall be the one year anniversary of the Issuance Date (\_\_\_\_, 2018); provided, however, that this Note is callable in advance of the Maturity Date by the Company in its sole discretion in accordance with Section 2(d) of the NPA. Payments of accrued interest shall be made on this Note on the [\_\_\_\_]th calendar day of each month (each a "Monthly Payment Date") beginning in July, 2017. If the [\_\_\_\_]th calendar day of a month is not a business day, payments shall be made on the next business day. At the Maturity Date, even if the Company has not repaid in full the principal and all interest accrued thereon, all obligations under this Note shall become due and payable and the Holder (together with the other Holders) shall have recourse to the Collateral.

2. **Interest Payment and Accrual.** On each Monthly Payment Date, the Company will compute the principal and compute and distribute the interest payable on this Note. The average monthly outstanding Note principal for the preceding calendar month will earn interest at an annual rate of 12%, calculated using a month of thirty (30) calendar days divided by a year of 360 calendar days. In the event the Company fails to make any principal or interest payment then due on a Monthly Payment Date, such overdue amount shall thereafter accrue additional interest at an annual rate of 2% (so that the total interest rate is 14% per annum), calculated using a month of thirty (30) calendar days divided by a year of 360 calendar days.

3. **Payment; Prepayment.**

A. In accordance with Section 1 hereof, payments of interest on this Note shall be made commencing in July, 2017. Payments shall be characterized first as interest then due and payable, computed according to Section 2 above, and the remainder of any payments to the Holder shall be characterized as amortized principal.

B. All payments shall be made in lawful money of the United States of America at such place as the Holder hereof may from time to time designate in writing to the Company.

C. As provided in the NPA, the Company may return Note principal to the Holder in advance of the Maturity Date, so long as the Company concurrently pays in connection with such prepayment a prepayment fee in an amount calculated pursuant to Section 2(d) of the NPA as well as all accrued and unpaid interest.

4. **Events of Default.** Upon the occurrence of any of the following events (each an "**Event of Default**"):

A. The Company fails to pay when due any principal of, or interest on, this Note and such failure shall continue for ten (10) business days;

B. The Company shall become insolvent or generally fail to pay, or admit in writing its inability or unwillingness to pay, debts as they become due;

C. The Company shall apply for, consent to or acquiesce in the appointment of a trustee, receiver, sequestrator or other custodian for the Company or any property thereof, or make a general assignment for the benefit of creditors;

D. The Company shall permit or suffer to exist the appointment of a trustee, receiver, sequestrator or other custodian for the Company or for a substantial part of the property thereof, and such trustee, receiver, sequestrator or other custodian shall not be discharged within sixty (60) days;

E. The Company shall permit or suffer to exist the commencement of any bankruptcy, reorganization, debt arrangement or other case or proceeding under any bankruptcy or insolvency law, or any dissolution, winding up or liquidation proceeding, in respect of the Company and, if any such case or proceeding is not commenced by the Company, such case or proceeding shall be consented to or acquiesced in by the Company or shall result in the entry of an order for relief or shall remain for sixty (60) days undismissed;

F. The Guarantee from The Resource Group International Limited, an exempt Bermuda company ("**TRG**") to the Company ceases for any reason to be in full force and effect, or;

G. The Company fails or neglects to perform, keep, or observe any other term, provision, condition, covenant or agreement contained in any Document, and as to any default (other than those otherwise specified in this Section) under such other term, provision, condition, covenant or agreement that can be cured, has failed to cure the default within ten (10) business days after the occurrence thereof; provided, however, that if the default cannot by its nature be cured within the ten (10) business day period or cannot after diligent attempts by the Company be cured within such ten (10) business day period, and such default is likely to be cured within a reasonable time, then the Company shall have an additional period (which shall not in any case exceed thirty (30) days) to attempt to cure such default, and within such reasonable time period the failure to cure the default shall not be deemed an Event of Default;

H. Any representation or warranty of the Company set forth in any Document shall prove to have been false or incorrect in any material respects when made or furnished; or

I. There is an Event of Default under any other Note issued pursuant to the NPA;

then the Holder may, with the prior written consent of the Required Purchasers, (i) declare this Note and the principal of and accrued interest hereon, and all other amounts payable hereunder, to be forthwith due and payable in full (provided that this Note and all amounts payable hereunder shall be immediately due and payable without any action by the Holder upon the occurrence of any Event of Default pursuant to clauses (B) through (E) of Section 4); and (ii) exercise such rights and remedies with respect to the Collateral as are available to a secured party under the Code and other applicable laws. The Company shall pay all costs of the Holder incurred in connection with the enforcement and collection of this Note, including but not limited to all reasonable attorneys' fees, court costs and expenses incurred by the Holder in connection with such preparation, negotiation, execution, delivery, enforcement and collection hereunder.

5. **Transfer; Successors and Assigns.** The terms and conditions of this Note shall inure to the benefit of and be binding upon the respective successors and assigns of the parties. Notwithstanding the foregoing, neither the Holder nor the Company may assign, pledge, or otherwise transfer this Note without the prior written consent of the other party. Subject to the preceding sentence, this Note may be transferred only upon surrender of the original Note for registration of transfer, duly endorsed, or accompanied by a duly executed written instrument of transfer in form satisfactory to the Company. Thereupon, a new note for the same principal amount and interest will be issued to, and registered in the name of, the transferee. Interest and principal are payable only to the registered holder of this Note.

6. **Governing Law.** This Note and all acts and transactions pursuant hereto and the rights and obligations of the parties hereto shall be governed, construed and interpreted in accordance with the laws of the State of Florida, without giving effect to principles of conflicts of law.

7. **Notices.** Any notice required or permitted by this Agreement shall be in writing and shall be deemed sufficient upon receipt, when delivered personally or by courier, overnight delivery service or confirmed facsimile, or 24 hours after confirmation of delivery by electronic mail, or 48 hours after being deposited in the U.S. mail as certified or registered mail with postage prepaid, if such notice is addressed to the party to be notified at such party's address electronic mail address or facsimile number as set forth below or as subsequently modified by written notice. In the event notices are deposited in the U.S. mail or delivered personally, by overnight delivery service or facsimile, the sender of such notice shall also provide the recipient with a copy of such notice via electronic mail at the appropriate e-mail address set forth below, which electronic mail shall not constitute notice.

8. **Amendments and Waivers.** Any term of this Note may be amended only with the written consent of the Company and the Required Purchasers (as defined in the NPA), provided that, except as set forth in Section 13, any amendment which affects the Holder in a manner that is materially adverse to the Holder, relative to the other Holders, shall additionally require the written consent of the Holder. Any amendment or waiver effected in accordance with this Section 8 shall be binding upon the Company, each Holder and each transferee of any Note.

9. **Officers and Directors Not Liable.** In no event shall any officer or director of the Company be personally liable for any amounts due or payable pursuant to this Note.

10. **Interest Rate Limitation.** Notwithstanding anything to the contrary contained in this Note or the NPA (the "Loan Documents"), the interest paid or agreed to be paid under the Loan Documents shall not exceed the maximum rate of non-usurious interest permitted by applicable law (the "Maximum Rate"). If the Holder shall receive interest in an amount that exceeds the Maximum Rate, the excess interest shall be applied to the principal remaining owed under this Note or, if it exceeds such unpaid principal, refunded to the Company. In determining whether the interest contracted for, charged, or received by the Holder exceeds the Maximum Rate, the Holder may, to the extent permitted by applicable law, (a) characterize any payment that is not principal as an expense, fee, or premium rather than interest, (b) exclude voluntary prepayments and the effects thereof, and (c) amortize, prorate, allocate, and spread in equal or unequal parts the total amount of interest throughout the contemplated term of this Note.

11. **Loss of Note.** Upon receipt by the Company of evidence satisfactory to it of the loss, theft, destruction or mutilation of this Note or any Note exchanged for it, and indemnity satisfactory to the Company (in case of loss, theft or destruction) or surrender and cancellation of such Note (in the case of mutilation), the Company will make and deliver in lieu of such Note a new Note of like tenor.

12. **Counterparts.** This Note may be executed in any number of counterparts, each of which will be deemed to be an original and all of which together will constitute a single agreement.

13. **Pari Passu Notes.** Holder acknowledges and agrees that the payment of all or any portion of the outstanding principal amount of this Note and all interest hereon shall be pari passu in right of payment and in all other respects to the other Notes, unless the Required Purchasers have agreed otherwise. In the event Holder receives payments in excess of its pro rata share of the Company's payments to the Holders of all of the Notes, then Holder shall hold in trust all such excess payments for the benefit of the Holders of the other Notes and shall pay such amounts held in trust to such other Holders upon demand by such Holders.

*[Signature Page Follows]*



IN WITNESS WHEREOF, the undersigned have executed this Senior Secured Note as of the date first written above.

COMPANY:

E-TELEQUOTE INSURANCE, INC.

By: \_\_\_\_\_

\_\_\_\_\_ Its: \_\_\_\_\_

Address:

\_\_\_\_\_

AGREED TO AND ACCEPTED

[LENDER NAME]

\_\_\_\_\_  
(Signature)

Name: \_\_\_\_\_  
(print)

Title: \_\_\_\_\_

Address:

Electronic Mail: Phone:

Fax (optional):

Preferred Payment Method (please check one):

Check

Wire Transfer (please include wire transfer instructions below): Bank Name: Keypoint

Bank ABA/Routing # for wire transfers:

Bank ABA/Routing # for ACH (if different from wire transfer): Beneficial Account # at bank:

SIGNATURE PAGE TO THE SENIOR SECURED NOTE OF ETELEQUOTE INSURANCE, INC

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Dated: June 20, 2016

(1) THE RESOURCE GROUP INTERNATIONAL, LTD.

(2) ETELEQUOTE PLC

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Loan Agreement

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**BETWEEN**

- (1) **THE RESOURCE GROUP INTERNATIONAL, LTD.** (any exempted company incorporated in Bermuda) whose registered office is at Crawford House, 50 Cedar Avenue, Hamilton HM11, Bermuda ("**Lender**"); and
- (2) **ETELEQUOTE PLC**, a company formed under the laws of England and Wales with Registration No. 8587657 ("**Borrower**").

**BACKGROUND**

(A) The Lender is willing to advance monies to Borrower on the terms of this Agreement, and Borrower seeks to receive such monies under the terms of this Agreement.

**OPERATIVE CLAUSES**

**1. INTERPRETATION**

In this Agreement:

1.1 the following expressions have the following meanings unless inconsistent with the context:

<b>"Loan"</b>	the loan of the Loan Amount to the Borrower pursuant to <b>clause 2</b>
<b>"Loan Amount"</b>	Ten Million Dollars USD (\$10,000,000.00) subject as may be increased pursuant to <b>clause 4</b> or reduced pursuant to <b>clause 6</b>
<b>"Interest Rate"</b>	15.00 per cent per annum

1.2 any reference to a clause is a reference to one of the clauses of this Agreement;

1.3 references to this Agreement (or to any other agreement or deed) means, at any time, this Agreement (or, as applicable, such other agreement or deed) as amended, novated, re-stated, substituted or supplemented at such time, provided that the relevant amendment, novation, re-statement, substitution or supplement does not breach any term of this Agreement;

1.4 references to any statutory provisions will, where the context so admits or requires, be construed as including references to the corresponding provisions of any earlier statute (whether repealed or not) directly or indirectly amended, consolidated, extended or replaced by those provisions (or re-enacted in those provisions) and of any subsequent statute in force at any relevant time directly or indirectly amending, consolidating, extending, replacing or re-enacting the same and will include any orders, regulations, instruments or other subordinate legislation made under the relevant statute;

1.5 US\$ shall refer to the lawful currency of the United States of America;

1.6 the descriptive headings to Clauses are inserted for convenience only, have no legal effect and shall be ignored in the interpretation of this Agreement; and  
1.7 references to the singular include the plural and vice versa and any reference to the masculine shall include the feminine, as the context permits or requires.

2. **LOAN**

The Lender shall lend to Borrower on or before 23 June 2016 an amount equal to the Loan Amount.

3. **PURPOSE OF LOAN**

3.1 The proceeds of the Loan shall be applied to fully pay off of the current Ten Million Dollars USD (\$10,000,000) note credit facility currently used by Borrower's subsidiary, e-TeleQuote Insurance, Inc. ("Etel US").

4. **INTEREST**

4.1 Subject to **clause 4.5**, Borrower shall be required to pay interest, in accordance with **clause 4.4**, on the amount of the Loan Amount at a rate equal to the Interest Rate.

4.2 Interest on the amount of the outstanding Loan shall be calculated on a day to day basis, on the basis of a year of 365 days and shall accrue at the rate determined in accordance with **clause 4.1**.

4.3 On the last working day of each anniversary that the Loan remains outstanding, the total of any interest accrued during the current preceding year shall be added to the outstanding Loan Amount and interest shall accrue on such increased amount thereafter.

4.4 Subject to **clause 6.1**, Borrower shall pay accrued interest in respect of the amount of the outstanding Loan in arrears on the date on which Borrower repays the outstanding Loan Amount.

4.5 In the event that the circumstances in **clause 6.2.2** arise, the Lender may increase the rate of interest from the Interest Rate to 25 percent (25%) per annum.

5. **COVENANT**

5.1 The Borrower shall, at all times when any Loan Amount is outstanding under this Agreement, maintain an LTV of sixty percent (60%) or less.

5.1.1 "**LTV**" means the then-existing Loan Amount divided by the Value.

5.1.2 "**Value**" means the then-existing fair market value of all Policies, as measured using reasonable methods.

5.1.3 "**Policies**" means any and all of the rights of Borrower, Etel US, and Etel US's subsidiaries to initial and renewal commissions for insurance policies sold or acquired.

6. **REPAYMENT AND PREPAYMENT**

6.1 Borrower may prepay all or part of the amount of the outstanding Loan at any time before it becomes due under this Agreement. At the same time as Borrower makes any prepayment, Borrower shall also pay all interest accrued in accordance with **clause 4** in respect of the part of the Loan which is prepaid.

6.2 Borrower shall immediately repay the amount of the outstanding Loan and any interest accrued in accordance with **clause 4**, on the earlier of the following events:

6.2.1 The eight month anniversary of the Effective Date;

6.2.2 Borrower's material breach of this Agreement or any other written agreement entered between Borrower and Lender;

6.2.3 the date that all or substantially all of the assets of the Borrower are sold to an unaffiliated third party;

6.2.4 the date the Borrower is acquired by (which includes an acquisition pursuant to a scheme of arrangement or an amalgamation) or merges with an unaffiliated company in a transaction in which the Borrower (as applicable) is not the surviving company;

6.2.5 the presentation of a petition for the Borrower's bankruptcy;

6.2.6 the making of any composition, compromise, assignment or arrangement with any creditor of Borrower;

6.2.7 the appointment of an interim receiver of the Borrower's property;

6.2.8 the appointment of any other receiver or manager of any of the Borrower or the Borrower's assets;

6.2.9 any procedure in any jurisdiction which is analogous to any of the procedures referred to in **clauses 6.2.6 to 6.2.9** above; or

6.2.10 Borrower is unable or admits inability to pay its debts as they fall due or is deemed to or declared to be unable to pay its debts under applicable law.

6.3 No amount of the Loan repaid or prepaid may be redrawn.

7. **TAXATION**

7.1 Borrower hereby indemnifies the Lender in respect of any applicable taxes in relation to Borrower's receipt of any portion of the Loan, or payment or accrual of any interest thereunder.

8. **SET OFF**

Borrower shall not exercise any right of set-off or counterclaim Borrower might have in respect of any payment due to the Lender under this Agreement. The Lender may, at any time, set off any obligation owed by the Lender to Borrower (whether or not matured at such time) against any matured obligation owed by Borrower under this Agreement.

9. **RIGHTS AND REMEDIES**

The rights and remedies provided in this Agreement are in addition to (and not instead of) rights or remedies under law. If the Lender fails to exercise any right or remedy under this Agreement or delays his exercise of any such right or remedy, this shall not mean that it waives such right or remedy. If the Lender exercises a right or remedy once or only in part, this does not prevent it exercising such right or remedy again.

10. **THIRD PARTIES**

Any person who is not party to this Agreement has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce or to enjoy the benefit of any term of this Agreement. The parties do not require the consent of any such person before rescinding or varying this Agreement.

11. **TERMINATION**

This Agreement shall continue until the Loan has been repaid in full. On the Borrower repaying the Loan in full, this Agreement shall terminate.

12. **MISCELLANEOUS**

12.1 This Agreement may be executed in any number of counterparts, and by the parties on separate counterparts, each of which when so executed and delivered will be an original, but all the counterparts will together constitute one and the same agreement.

12.2 The formation, existence, construction, performance, validity and all aspects whatsoever of this Agreement or of any term of this Agreement shall be governed by English law. The English Courts shall have jurisdiction to settle any dispute which may arise out of or in connection with this Agreement.

12.3 Borrower shall not assign, novate or otherwise deal with any rights, interests or obligations under this Agreement, except with the Lender's prior written consent.

12.4 The terms of this Agreement shall inure for the benefit of and be binding upon the respective successors and assigns of the parties hereto.

**[Signature Page to Follow]**

THIS DOCUMENT is executed as a deed and delivered on the date stated at the beginning of this Agreement.

**The Resource Group International, Ltd.**

/s/ Mohammed Khaishgi  
(Signature)  
Mohammed Khaishgi, Director

WITNESS:

/s/  
(Signature)

**Etelequote Pie**

/s/ Anthony Solazzo  
(Signature)  
Anthony Solazzo, Director

WITNESS:

/s/  
(Signature)

THE RESOURCE GROUP INTERNATIONAL LIMITED

ELEQUOTE PLC

ANTHONY SOLAZZO

FORWARD MARCH LIMITED

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SHARE TRANSFER AND EXCHANGE AGREEMENT

---



**PARTIES:**

- (1) **THE RESOURCE GROUP INTERNATIONAL LIMITED**, an exempted company organised and existing under the laws of Bermuda, with Company Registration No. 50201 and having its registered address at Crawford House, 50 Cedar Avenue, Hamilton, Bermuda HM 11 ("**TRGI**");
- (2) **ETELEQUOTE PLC**, a public limited company existing under the laws of England and Wales, with Registration No. 08587657 and having its registered address at 3rd Floor, 1 Ashley Road, Altrincham, Cheshire, WA14 2DT ("**ETQ**");
- (3) **ANTHONY SOLAZZO**, an individual with an address of 1520 Gulf Blvd #707 Clearwater FL 33767 USA ("**Solazzo**"); and
- (4) **FORWARD MARCH LIMITED**, an exempted company organised and existing under the laws of Bermuda, with Company Registration No. 52347 and having its registered address at Crawford House, 50 Cedar Avenue, Hamilton, Bermuda HM 11 ("**FM**"),

(each a "**Party**" and collectively, the "**Parties**").

**BACKGROUND:**

- (A) Solazzo is the holder of a total of 3,125,000 A ordinary shares in ETQ with a par value of £0.00032 per share (the "**Solazzo ETQ Shares**").
- (B) TRGI is the holder of a total of 3,124,000 preferred ordinary shares, 8 B ordinary shares, and 1,562,500 C ordinary shares, each in ETQ and each with a par value of £0.00032 per share (the "**TRGI ETQ Shares**").
- (C) Subject to any prior necessary corporate or regulatory approvals (including any prior no-objection or approval of the BMA), Solazzo would like to effect a transfer to FM, and FM would like to accept all of the Solazzo ETQ Shares, in exchange for the issue and allotment by FM of 533,818 fully paid and non-assessable common shares in FM with a par value of US\$0.0001 per common share to Solazzo (the "**FM Shares**") (the "**Solazzo Share Transfer and Exchange**").
- (D) The Parties are accordingly entering into this Agreement to set out the terms and conditions governing the Share Transfer and Exchange.

**TERMS:**

The Parties agree as follows:

**1. DEFINITIONS AND INTERPRETATION**

**1.1 Definitions**

In this Agreement the following expressions shall have the following meanings:

<b>“Agreement”</b>	means this share transfer and exchange agreement, including its schedules (if any);
<b>“BMA”</b>	means the Bermuda Monetary Authority;
<b>“Companies Act”</b>	means the Companies Act, 1981, as amended, of Bermuda;
<b>“Completion”</b>	means the completion of the Solazzo Share Transfer and Exchange, as well as the TRGI Share Transfer, on or by the Completion Date;
<b>“Completion Date”</b>	means on or by 30 June, 2017 or such other date as may be agreed between the Parties in writing;
<b>“Dispute”</b>	has the meaning given to it in clause 8.9;
<b>“Encumbrance”</b>	means any adverse claim or right or third party right or other right or interest, any equity, any option or right of pre-emption or right to acquire or right to restrict, any mortgage, charge, assignment, hypothecation, pledge, lien, encumbrance or security interest or arrangement of whatsoever nature, any reservation-of-title or any hire purchase, lease or instalment purchase agreement;
<b>“FM Shares”</b>	has the meaning given to it in Recital (C);
<b>“Proceedings”</b>	has the meaning given to it in clause 8.10(a);
<b>“Solazzo ETQ Shares”</b>	has the meaning given to it in Recital (A);
<b>“Solazzo Share Transfer and Exchange”</b>	has the meaning given to it in Recital (C);

“TRGI ETQ  
Shares”

has the meaning given to it in recital (B); and

“TRGI Share  
Transfer”

has the meaning given to it in clause 4.1.

## 1.2 Interpretation

In this Agreement, unless the context requires otherwise:

- (a) the section headings and captions to the clauses in this Agreement are inserted for convenience of reference only and shall not be considered a part of or affect the construction or interpretation of this Agreement;
- (b) a reference to a document is a reference to that document as from time to time supplemented or varied;
- (c) words importing the singular shall include the plural number and vice versa and words importing a gender shall include each gender;
- (d) words and phrases, the definitions of which are contained or referred to in the Companies Act shall be construed as having the meanings thereby attributed to them; and
- (e) any reference to any clause, sub-clause or paragraph, shall be a reference to the clause, sub-clause or paragraph, of this Agreement in which the reference occurs unless it is indicated that reference to some other provision is intended.

## 2. SOLAZZO SHARE TRANSFER

### 2.1 Solazzo Share Transfer and Exchange

Subject to any prior necessary corporate or regulatory approvals (including any prior regulatory no-objection or approval of the BMA), Solazzo agrees to effect the transfer of the Solazzo ETQ Shares to FM and FM agrees to acquire the Solazzo ETQ Shares in exchange for the issue and allotment of the FM Shares, as fully paid and non-assessable shares, by FM to Solazzo, with effect from the Completion and free from any Encumbrances and with the benefit of all accrued rights and advantages attaching or belonging thereto.

## 3. CONSIDERATION TO SOLAZZO

- 3.1 Solazzo and FM agree that the issuance of the FM Shares, and the fact of the TRGI Share Transfer occurring, shall be good and sufficient consideration for the transfer of the Solazzo ETQ Shares.

4. **TRANSFER BY TRGI**

**TRGI Share Transfer**

4.1 Subject to any prior necessary corporate or regulatory approvals (including any prior regulatory no-objection or approval of the BMA), TRGI agrees to effect the transfer of the TRGI ETQ Shares to FM (the “**TRG Share Transfer**”).

5. **COMPLETION**

5.1 **Timing**

Completion shall occur on the Completion Date. If Completion does not occur on or by the Completion Date, this Agreement and all obligations, consents, warranties, and covenants arising out of the Agreement shall be null and void.

6. **WARRANTIES AND COVENANTS**

6.1 **Warranties**

(a) Solazzo warrants and represents to the Parties that:

- (i) he is the legal and beneficial owner of the Solazzo ETQ Shares, and all such Solazzo ETQ Shares are free of all Encumbrances;
- (ii) he has the legal right and full power and authority to execute and deliver, and to exercise his rights and perform his obligations under this Agreement, and further that this Agreement constitutes a valid, legally binding and enforceable obligation on him in accordance with its terms; and
- (iii) this Agreement constitutes, and the documents, if any, referred to in this Agreement which are to be executed by him, when executed, will constitute, valid and binding agreements enforceable in accordance with their respective terms.

(b) Each of TRGI, ETQ and FM respectively warrant and represent to each of the Parties that:

- (i) each is a company duly incorporated and validly existing under the laws of its incorporation or, if applicable, continuation, and has the power to own its assets and carry on its business as it is being conducted;
- (ii) each has the legal right and full power and authority to execute and deliver, and to exercise their rights and perform their obligations under this Agreement, and further that this Agreement constitutes a valid, legally binding and enforceable obligation on each of them in accordance with its terms; and

- (iii) this Agreement constitutes, and the documents, if any, referred to in this Agreement which are to be executed by each of them, when executed, will constitute, valid and binding agreements enforceable in accordance with their respective terms.
- (c) TRGI warrants and represents to Solazzo that it is the beneficial owner of the TRGI ETQ Shares and such TRGI ETQ Shares are free of all Encumbrances.
- (d) FM warrants and represents to Solazzo that upon Completion, FM's issued share capital will be as follows:
  - (A) 533,818 common shares issued to Solazzo;
  - (B) 4,749,861 preferred shares issued to TRGI;
  - (C) 6,856,139 common shares issued to TRGI; and
  - (D) an additional 360,184 common shares shall be issued, or agreed to be issued, to other person(s).
- (e) FM further warrants and represents to Solazzo that, on or by the Completion Date (i) FM's Byelaws and a Certificate of Designation for the preferred shares shall be in the form as attached hereto as **Exhibit A** to this Agreement; and (ii) FM's Stock Option Plan shall be in the form attached hereto as **Exhibit B** to this Agreement.

6.2 **Covenants**

Each Party jointly and severally covenants with the other Parties that he or it shall, and shall procure, so far as is within his or its power of procurement, that all necessary third parties shall likewise, do, execute and perform all such further deeds, documents, assurances, acts and things as either of them, at or after Completion, may reasonably require to give effect to the terms of this Agreement.

7. **ACKNOWLEDGEMENT**

7.1 By signing this Agreement, each of TRGI, ETQ, and FM undertakes:

- (a) to perform any action required to give effect to the provisions of this Agreement;

- (b) that any resolutions required to be taken by its shareholder or directors to effect Completion have been adopted (whether at a meeting or in writing);
- (c) to cancel such certificates as may be returned to it or declared lost as applicable;
- (d) to issue new certificates as applicable to reflect the Share Transfer and Exchange;
- (e) to update its registers (including its register of members) to reflect the positions following the Share Transfer and Exchange; and
- (f) to file all necessary statutory forms and documents with the BMA and all other authorities, if and as required, within the time limits prescribed by applicable law or regulation.

8. **MISCELLANEOUS PROVISIONS**

8.1 **Assignment**

No Party may assign its rights or obligations under this Agreement without the prior written consent of all the other Parties.

8.2 **Parties Bound**

This Agreement shall be binding upon and run for the benefit of the Parties, their successors and permitted assigns.

8.3 **Relationship of the Parties**

In this Agreement, nothing shall be deemed to:

- (a) constitute a partnership between the Parties or any of them; or
- (b) make any Party an agent for any other Party, for any purpose whatsoever.

8.4 **Entire Agreement**

This Agreement constitutes the entire agreement and understanding between the Parties with respect to its subject matter, and except as expressly provided, supersedes all prior representations, writings, negotiations or understandings, with respect to that subject matter, if any.

8.5 **Waivers**

A failure to exercise or delay in exercising a right or remedy provided by this Agreement or by law does not constitute a waiver of the right or remedy or a waiver of other rights or remedies. No single or partial exercise of a right or remedy provided by this Agreement or by law prevents further exercise of the right or remedy or the exercise of another right or remedy.

8.6 **Variations**

No variation of this Agreement shall be effective unless it is made in writing and signed by each of the Parties.

8.7 **Counterparts**

This Agreement may be executed in any number of counterparts, each of which when so executed shall be deemed to be an original and all of which when taken together shall constitute this Agreement.

8.8 **Further Assurance**

Each Party shall do and execute, or arrange for the doing and executing of, each necessary act, document and thing reasonably within its power to implement this Agreement.

8.9 **Governing Law**

This Agreement and any dispute arising out of or in connection with it or its subject matter or formation (including non-contractual disputes or claims) ("**Dispute**") shall be governed by and construed in accordance with the laws of Bermuda.

8.10 **Jurisdiction**

- (a) Each of the Parties to this Agreement irrevocably agrees that the courts of Bermuda are to have exclusive jurisdiction to settle any Dispute and, for such purposes, irrevocably submits to the exclusive jurisdiction of such courts. Any proceeding, suit or action arising out of or in connection with this Agreement (the "**Proceedings**") shall therefore be brought in the courts of Bermuda.
- (b) Each of the Parties to this Agreement irrevocably waives any objection to Proceedings in the courts referred to in clause 8.10(a) on the grounds of venue or on the grounds of *forum non conveniens*.

[SIGNATURE PAGE TO FOLLOW]

For and on behalf of:

**THE RESOURCE GROUP INTERNATIONAL LIMITED**

  
\_\_\_\_\_  
Signature

Name: Mohammed Khaishgi  
Director/Authorised Signatory

For and on behalf of:

**ETELEQUOTE PLC**


  
\_\_\_\_\_  
Signed by

Signature  
Name: Zia Chishti  
Director/Authorised Signatory

For and on behalf of:


  
\_\_\_\_\_  
Signed by

**MR. ANTHONY SOLAZZO**, in the presence of:

Signature of witness:   
\_\_\_\_\_  
Name: Pat Costello  
Address: 1700 Penn Ave, Suite 560  
Washington DC 20006  
Occupation: Lawyer

For and on behalf of:

**FORWARD MARCH LIMITED**

  
\_\_\_\_\_  
Signature

Name: Zia Chishti  
Director/Authorised Signatory



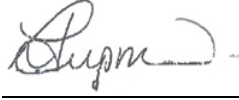


**BYE-LAWS**

**OF**

**Forward March Limited**

CERTIFIED that the within-written bye-laws are a true copy of the bye-laws of Compass Administration Services Ltd (the "Company") as approved and adopted as the bye-laws of the Company (the "Bye-Laws") by written resolution constituting the statutory general meeting of the sole member of the Company dated and effective on 3 March 2017.



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Duly Authorised  
For and on behalf of  
Compass Administration Services Ltd.  
Secretary



**Prepared by**

***ASW Law Limited  
Barristers & Attorneys  
Crawford House  
50 Cedar Avenue  
Hamilton, HM 11  
Bermuda***

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## INTERPRETATION

### 1. Definitions and Interpretation

1.1 In these Bye-laws, the following words and expressions shall, where not inconsistent with the context, have the following respective meanings:

"Alternate Director"	an alternate director appointed in accordance with these Bye-laws;
"Auditor"	includes any individual auditor or partnership of auditors;
"Board"	the board of directors of the Company appointed or elected pursuant to these Bye-laws and acting by resolution in accordance with the Companies Act and these Bye-laws or the directors present at a meeting of directors at which there is a quorum;
"Bye-laws"	means these Bye-laws in their present form or as from time to time amended;
"Companies Act"	the Companies Act 1981, as amended from time to time;
"Company"	the company incorporated in Bermuda under the name of Forward March Limited on 28 February 2017;
"Director"	any person duly elected or appointed as a director of the Company and shall include an Alternate Director or any person occupying the position of director by whatever name called;
"Further Financing"	any form of debt or equity financing of the Company including by way of an issue of shares, options, warrants or other convertible instruments or securities;
"Member"	the person registered in the Register of Members as the holder of shares in the Company and, when two or more persons are so registered as joint holders of shares, means the person whose name stands first in the Register of Members as one of such joint holders or all of such persons, as the context so requires;
"Memorandum"	means the Memorandum of Association of the Company, as from time to time amended;
"notice"	written notice as further provided in these Bye-laws unless otherwise specifically stated;

"Officer"	any person appointed by the Board to hold an office in the Company;
"Register of Directors Officers"	the register of directors and officers referred to in and these Bye-laws;
"Register of Members"	the register of members referred to in these Bye-laws;
"Registered Office"	the registered office for the time being of the Company;
"Resident Representative"	any person appointed to act as resident representative of the Company and includes any deputy or assistant resident representative;
"Secretary"	the person appointed to perform any or all of the duties of secretary of the Company and includes any deputy or assistant secretary and any person appointed by the Board to perform any of the duties of the Secretary;
"share"	means a share in the capital of the Company and includes a fraction of a share; and
"Treasury Share"	a share of the Company that was or is treated as having been acquired and held by the Company and has been held continuously by the Company since it was so acquired and has not been cancelled.

In these Bye-laws, where not inconsistent with the context:

- (a) words denoting the plural number include the singular number and vice versa;
- (b) words denoting the masculine gender include the feminine and neuter genders;
- (c) words importing persons include companies, associations or bodies of persons whether corporate or not;
- (d) the words:
  - (i) "may" shall be construed as permissive; and
  - (ii) "shall" shall be construed as imperative; and
- (e) unless otherwise provided in these Bye-laws, words or expressions defined in the Companies Act shall bear the same meaning in these Bye-laws.



- 1.3 In these Bye-laws expressions referring to writing or its cognates shall, unless the contrary intention appears, include facsimile, printing, lithography, photography, electronic mail and other modes of representing words in visible form.
- 1.4 Headings used in these Bye-laws are for convenience only and are not to be used or relied upon in the construction hereof.

## SHARES

### 2. Power to Issue Shares

- 2.1 Subject to these Bye-laws and to any resolution of the Members to the contrary, and without prejudice to any special rights previously conferred on the holders of any existing shares or class of shares, the Board shall have the power to issue any unissued shares on such terms and conditions as it may determine and any shares or class of shares may be issued with such preferred, deferred or other special rights or such restrictions, whether in regard to dividend, voting, return of capital, or otherwise as the Company may by resolution of the Members prescribe.
- 2.2 Subject to the provisions of these provisions of these Bye-laws and any limitations prescribed by law, and without prejudice to any special rights previously conferred on the holders of any existing class or series of shares, any class or series of shares may be issued with such preferred or other special rights as the Board may determine (including such preferred or other special rights or restrictions with respect to dividend, voting, liquidation or other rights of the shares as may be determined by the Board). The Board may establish from time to time the number of shares to be included in each such class or series, which number may be increased (except as otherwise provided by the Board in creating such class or series) or decreased (but not below the number of shares thereof then in issue) from time to time by resolution of the Board, and to fix the designation, powers, preferences, redemption provisions restrictions and rights to such class or series and the qualifications, limitations or restrictions thereof. The terms of any class or series of shares shall be set forth in a Certificate of Designation in the minutes of the Board authorising the issuance of such shares but shall not form part of these Bye-laws, and may be examined by any Member on request.
- 2.3 Without limiting the foregoing and subject to the Companies Act, the Company may issue preference shares which (i) are liable to be redeemed on the happening of a specified event or events or on a given date or dates and/or (ii) are liable to be redeemed at the option of the Company and/or the holder. The terms and manner of redemption of any redeemable shares shall be as the Board may by resolution determine before the allotment of such shares and the terms and manner of redemption of any other redeemable preference shares shall be either (i) as the Company may by resolution determine or (ii) insofar as the Board is so authorised by any resolution, as the Board may by resolution determine, in either case, before the allotment of such shares.

**3. Power of the Company to Purchase its Shares**

- 3.1 The Company may purchase its own shares for cancellation or to acquire them as Treasury Shares in accordance with the Companies Act on such terms as the Board shall think fit. No such purchase shall be made if there are reasonable grounds for believing that the Company is, or after the purchase would be, unable to pay its liabilities as they become due.
- 3.2 The Board may exercise all the powers of the Company to purchase or acquire all or any part of its own shares in accordance with the Companies Act.
- 3.3 Shares so purchased by the Company under this Bye-law shall be treated as cancelled and the amount of the Company's issued capital shall be reduced by the nominal value of those shares accordingly but the purchase of shares under this Bye-law shall not be taken as reducing the amount of the Company's authorised share capital.

**4. Rights Attaching to Shares**

- 4.1 Subject to any resolution of the Members to the contrary (and without prejudice to any special rights conferred thereby on the holders of any other shares or class of shares), the share capital shall be divided into shares of a single class the holders of which shall, subject to these Bye-laws;
- (a) be entitled to one vote per share;
  - (b) be entitled to such dividends as the Board may from time to time declare;
  - (c) in the event of a winding-up or dissolution of the Company, whether voluntary or involuntary or for the purpose of a reorganisation or otherwise or upon any distribution of capital, be entitled to the surplus assets of the Company; and
  - (d) generally be entitled to enjoy all of the rights attaching to shares.
- 4.2 All the rights attaching to a Treasury Share shall be suspended and shall not be exercised by the Company while it holds such Treasury Share and, except where required by the Companies Act, all Treasury Shares shall be excluded from the calculation of any percentage or fraction of the share capital, or shares, of the Company.
- 4.3 At the discretion of the Board, whether or not in connection with the issuance and sale of any shares or other securities of the Company, the Company may issue securities, contracts, warrants or other instruments evidencing any shares, option rights, securities having conversion or option rights, or obligations on such terms, conditions and other provisions as are fixed by the Board including, without limiting the generality of this authority, conditions that preclude or limit any person or persons owning or offering to acquire a specified number or percentage of the issued common shares, other shares, option rights, securities having conversion or option rights, or obligations of the Company or transferee of the person or persons from exercising, converting, transferring or receiving the shares, option rights, securities having conversion or option rights, or obligations.

**5. Calls on Shares**

The Board may make such calls as it thinks fit upon the Members in respect of any moneys (whether in respect of nominal value or premium) unpaid on the shares allotted to or held by such Members and, if a call is not paid on or before the day appointed for payment thereof, the Member may at the discretion of the Board be liable to pay the Company interest on the amount of such call at such rate as the Board may determine, from the date when such call was payable up to the actual date of payment. The Board may differentiate between the holders as to the amount of calls to be paid and the times of payment of such calls.

The joint holders of a share shall be jointly and severally liable to pay all calls and any interest, costs and expenses in respect thereof.

The Company may accept from any Member the whole or a part of the amount remaining unpaid on any shares held by him, although no part of that amount has been called up.

**6. Forfeiture of Shares**

- 6.1 If any Member fails to pay, on the day appointed for payment thereof, any call in respect of any share allotted to or held by such Member, the Board may, at any time thereafter during such time as the call remains unpaid, direct the Secretary to forward such Member a notice in writing in the form set out at Schedule "A", or as near to such form as circumstances admit
- 6.2 If the requirements of such notice are not complied with, any such share may at any time thereafter before the payment of such call and the interest due in respect thereof be forfeited by a resolution of the Board to that effect, and such share shall thereupon become the property of the Company and may be disposed of as the Board shall determine. Without limiting the generality of the foregoing, the disposal may take place by sale, repurchase, redemption or any other method of disposal permitted by and consistent with these Bye-laws and the Companies Act.
- 6.3 A Member whose share or shares have been so forfeited shall, notwithstanding such forfeiture, be liable to pay to the Company all calls owing on such share or shares at the time of the forfeiture, together with all interest due on such share or shares and any costs and expenses incurred by the Company in connection with such share or shares.
- 6.4 The Board may accept the surrender of any shares which it is in a position to forfeit on such terms and conditions as may be agreed. Subject to those terms and conditions, a surrendered share shall be treated as if it had been forfeited.

**7. Share Certificates**

- 7.1 Every Member shall be entitled to a certificate under the common seal of the Company or bearing the signature (or a facsimile thereof) of a Director or the Secretary or a person expressly authorised to sign specifying the number and, where appropriate, the class of shares held by such Member and whether the same are fully paid up and, if not, specifying the amount paid on such shares. The Board may by resolution determine, either generally or in a particular case, that any or all signatures on certificates may be printed thereon or affixed by mechanical means.
- 7.2 The Company shall be under no obligation to complete and deliver a share certificate unless specifically called upon to do so by the person to whom the shares have been allotted.
- 7.3 If any share certificate shall be proved to the satisfaction of the Board to have been worn out, lost, mislaid, or destroyed the Board may cause a new certificate to be issued and request indemnity for the lost certificate if it sees fit.

**8. Fractional Shares**

The Company may issue its shares in fractional denominations and deal with such fractions to the same extent as its whole shares and shares in fractional denominations shall have in proportion to the respective fractions represented thereby all of the rights of whole shares including (but without limiting the generality of the foregoing) the right to vote, to receive dividends and distributions and to participate in a winding-up.

**REGISTRATION OF SHARES**

**9. Register of Members**

- 9.1 The Board shall cause to be kept in one or more books a Register of Members and shall enter in such Register of Members the particulars required by the Companies Act.
- 9.2 The Register of Members shall be open to inspection without charge at the registered office of the Company on every business day, subject to such reasonable restrictions as the Board may impose, so that not less than two hours in each business day be allowed for inspection. The Register of Members may, after notice has been given in accordance with the Companies Act, be closed for any time or times not exceeding in the whole thirty days in each year.

**10. Registered Holder Absolute Owner**

The Company shall be entitled to treat the registered holder of any share as the absolute owner thereof and accordingly shall not be bound to recognise any equitable claim or other claim to, or interest in, such share on the part of any other person.

**11. Transfer of Registered shares**

- 11.1 An instrument of transfer shall be in writing in the form set out at Schedule "B", or as near to such form as circumstances admit, or in such other form as the Board may accept.

- 11.2 Such instrument of transfer shall be signed by or on behalf of the transferor and transferee, provided that, in the case of a fully paid share, the Board may accept the instrument signed by or on behalf of the transferor alone. The transferor shall be deemed to remain the holder of such share until the same has been registered as having been transferred to the transferee in the Register of Members.
- 11.3 The Board may refuse to recognise any instrument of transfer unless it is accompanied by the certificate in respect of the shares to which it relates and by such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer.
- 11.4 The joint holders of any share may transfer such share to one or more of such joint holders, and the surviving holder or holders of any share previously held by them jointly with a deceased Member may transfer any such share to the executors or administrators of such deceased Member.
- 11.5 The Board may in its absolute discretion and without assigning any reason therefor refuse to register the transfer of a share. The Board shall refuse to register a transfer unless all applicable consents, authorisations and permissions of any governmental body or agency in Bermuda have been obtained. If the Board refuses to register a transfer of any share the Secretary shall, within three months after the date on which the transfer was lodged with the Company, send to the transferor and transferee notice of the refusal.

**12. Transmission of Registered Shares**

- 12.1 In the case of the death of a Member, the survivor or survivors where the deceased Member was a joint holder, and the legal personal representatives of the deceased Member where the deceased Member was a sole holder, shall be the only persons recognised by the Company as having any title to the deceased Member's interest in the shares. Nothing herein contained shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by such deceased Member with other persons. Subject to the Companies Act, for the purpose of this Bye-law, legal personal representative means the executor or administrator of a deceased Member or such other person as the Board may, in its absolute discretion, decide as being properly authorised to deal with the shares of a deceased Member.
- 12.2 Any person becoming entitled to a share in consequence of the death or bankruptcy of any Member or otherwise by operation of law may be registered as a Member upon such evidence as the Board may deem sufficient or may elect to nominate some person to be registered as a transferee of such share, and in such case the person becoming entitled shall execute in favour of such nominee an instrument of transfer in writing in the form set out at Schedule "C" or as near to such form as circumstances admit.
- 12.3 On the presentation of the foregoing materials to the Board, accompanied by such evidence as the Board may require to prove the title of the transferor, the transferee shall be registered as a Member. Notwithstanding the foregoing, the Board shall, in any case, have the same right to decline or suspend registration as it would have had in the case if a transferor of the share by that Member before such Member's death or bankruptcy, as the case may be.

12.4 Where two or more persons are registered as joint holders of a share or shares, then in the event of the death of any joint holder or holders the remaining joint holder or holders shall be absolutely entitled to such share or shares and the Company shall recognise no claim in respect of the estate of any joint holder except in the case of the last survivor of such joint holders.

#### ALTERATION OF SHARE CAPITAL

#### 13. Power to Alter Capital

13.1 The Company may if authorised by resolution of the Members increase, divide, consolidate, subdivide, change the currency denomination of, diminish or otherwise alter or reduce its share capital in any manner permitted by the Companies Act.

13.2 Where, on any alteration or reduction of share capital, fractions of shares or some other difficulty would arise, the Board may deal with or resolve the same in such manner as it thinks fit.

#### 14. Variation of Rights Attaching to Shares

If, at any time, the share capital is divided into different classes of shares, the rights attached to any class may, whether or not the Company is being wound-up, be varied with:

- (a) the approval of the Board; or
- (b) the consent of a majority of the Members voting a single class, with the holders of preference shares being entitled to vote on the basis that their preference shares had converted to common shares in accordance with these Bye-Laws,

and shall not require a separate consent of the holders of the Shares whose rights are varied, unless such variation would result in an adverse variation of the rights, preferences, privileges, powers, or restrictions of any class of shares and is made for a purpose other than in connection with a Further Financing, in which case such variation will require the consent in writing of the holders of not less than three-fourths of the issued shares of each class to be varied or with the sanction of a resolution passed by a majority of the votes cast at a separate general meeting of the holders of the shares of each class to be varied, at which meeting the necessary quorum shall be one person at least holding or representing by proxy one-third of the issued shares of the class to be varied. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith.

**15. Annual General Meetings**

Unless the Members elect otherwise by resolution at a general meeting, the annual general meeting shall be held in each year (other than the year of incorporation) at such time and place as the President or the Chairman (if any) or any two Directors or any Director and the Secretary or the Board shall appoint.

**16. Special General Meetings**

The President or the Chairman (if any) or any two Directors or any Director and the Secretary or the Board may convene a special general meeting whenever in their Judgment such a meeting is necessary.

**17. Requisitioned General Meetings**

The Board shall, on the requisition of Members holding at the date of the deposit of the requisition not less than one-tenth of such of the paid-up share capital of the Company as at the date of the deposit carries the right to vote at general meetings, forthwith proceed to convene a special general meeting and the provisions of the Companies Act shall apply.

**18. Notice**

18.1 At least five days' notice of an annual general meeting shall be given to each Member entitled to attend and vote at such meeting, stating the date, place and time at which the meeting is to be held, that the election of Directors will take place thereat, and as far as practicable, the other business to be conducted at the meeting.

18.2 At least five days' notice of a special general meeting shall be given to each Member entitled to attend and vote at such meeting, stating the date, time, place and the general nature of the business to be considered at the meeting.

18.3 The Board may fix any date as the record date for determining the Members entitled to receive notice of and to vote at any general meeting.

18.4 A general meeting shall, notwithstanding that it is called on shorter notice than that specified in these Bye-laws, be deemed to have been properly called if it is so agreed by (i) all the Members entitled to attend and vote thereat in the case of an annual general meeting; and (ii) by a majority in number of the Members having the right to attend and vote at the meeting, being a majority together holding not less than 95% in nominal value of the shares giving a right to attend and vote at such meeting in the case of a special general meeting.

18.5 The accidental omission to give notice of a general meeting to, or the non-receipt of a notice of a general meeting by, any person entitled to receive notice shall not invalidate the proceedings at that meeting.

**19. Giving Notice and Access**

19.1 A notice may be given by the Company to a Member:

- (a) by delivering it to such Member in person; or
- (b) by sending it by letter mail or courier to such Member's address in the Register of Members; or
- (c) by transmitting it by electronic means (including facsimile and electronic mail, but not telephone) in accordance with such directions as may be given by such Member to that Company for such purpose; or
- (d) in accordance with Bye-law 19.4.

19.2 Any notice required to be given to a Member shall, with respect to any shares held jointly by two or more persons, be given to whichever of such persons is named first in the Register of Members and notice so given shall be sufficient notice to all the holders of such shares.

19.3 Any notice (save for one delivered in accordance with Bye-law 19.4) shall be deemed to have been served at the time when the same would be delivered in the ordinary course of transmission and, in providing such service, it shall be sufficient to prove that the notice was properly addressed and prepaid, if posted, and the time when it was posted, delivered to the courier or transmitted by electronic means.

19.4 Where a Member indicates his consent (in a form and manner satisfactory to the Board) to receive information or documents by accessing them on a website rather than by other means, the Board may deliver such information or documents by notifying the Member of their availability and including therein the address of the website, the place on the website where the information or document may be found, and instructions as to how the information or document may be accessed on the website.

19.5 In the case of information or documents delivered in accordance with Bye-law 19.4, service shall be deemed to have occurred when (i) the Member is notified in accordance with that Bye-law; and (ii) the information or document is published on the website.

**20. Postponement of General Meeting**

The Secretary may postpone any general meeting called in accordance with these Bye-laws if such postponement is given to the Members before the time of such meeting. Fresh notice of the date, time and place for the postponed meeting shall be given to each Member in accordance with these Bye-laws.

**21. Telephonic or Electronic Participation In Meetings**

Members may participate in any general meeting by telephonic or such other electronic means as permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously, and participation in such a meeting shall constitute presence in person at such meeting.



**22. Quorum at General Meetings**

- 22.1 At any general meeting one or more Members present in person or by proxy and representing in excess of a majority of the total issued voting shares in the Company throughout the meeting shall form a quorum for the transaction of business.
- 22.2 If within thirty minutes from the time appointed for the meeting a quorum is not present, then, in the case of a meeting convened on a requisition, the meeting shall be deemed cancelled and, in any other case, the meeting shall stand adjourned to the same day one week later, at the same time and place or to such other day, time or place as the Secretary may determine. Unless the meeting is adjourned to a specific date, time and place announced at the meeting being adjourned, fresh notice of the resumption of the meeting shall be given to each Member entitled to attend and vote at such meeting in accordance with these Bye-laws.

**23. Chairman to Preside at General Meetings**

Unless otherwise agreed by a majority of those attending and entitled to vote thereat, the Chairman, if there be one, and if not the President, if there be one, shall act as chairman at all general meetings at which such person is present. In their absence a chairman shall be appointed or elected by those present at the meeting and entitled to vote.

**24. Voting on Resolutions**

- 24.1 Subject to the Companies Act and these Bye-laws, any question proposed for the consideration of the Members at any general meeting shall be decided by the affirmative votes of a majority of the votes cast in accordance with these Bye-laws and in the case of an equality of votes the chairman of such meeting shall be entitled to a casting vote.
- 24.2 No member shall be entitled to vote at a general meeting unless such Member has paid all the calls on all shares held by such Member.
- 24.3 At any general meeting a resolution put to the vote of the meeting shall, in the first instance, be voted upon by a show of hands and, subject to any rights or restrictions for the time being lawfully attached to any class of shares and subject to these Bye-laws, every Member present in person and every person holding a valid proxy at such meeting shall be entitled to one vote and shall cast such vote by raising his hand.
- 24.4 In the event that a Member participates in a general meeting by telephone or electronic means, the chairman of the meeting shall direct the manner in which such Member may cast his vote on a show of hands.
- 24.5 At any general meeting if an amendment is proposed to any resolution under consideration and the chairman of the meeting rules on whether or not the proposed amendment is out of order, the proceedings on the substantive resolution shall not be invalidated by any error in such ruling.

24.6 At any general meeting a declaration by the chairman of the meeting that a question proposed for consideration has, on a show of hands, been carried, or carried unanimously, or by a particular majority, or lost, and an entry to that effect in a book containing the minutes of the proceedings of the Company shall, subject to these Bye-laws, be conclusive evidence of that fact.

**25. Power to Demand a Vote on a Poll**

25.1 Notwithstanding the foregoing, a poll may be demanded by any of the following persons:

- (a) the chairman of the meeting; or
- (b) at least three Members present in person or represented by proxy; or
- (c) any Member or Members present in person or represented by proxy and holding between them not less than one-tenth of the total voting rights of all the Members having the right to vote at such meeting; or
- (d) any Member or Members present in person or represented by proxy holding shares in the Company conferring the right to vote at such meeting, being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total amount paid up on all such shares conferring such right,

25.2 Where a poll is demanded, subject to any rights or restrictions for the time being lawfully attached to any class of shares, every person present at such meeting shall have one vote for each share of which such person is the holder or for which such person holds a proxy and such vote shall be counted by ballot as described herein, or in the case of a general meeting at which one or more Members are present by telephone or electronic means, in such manner as the chairman of the meeting may direct and the result of such poll shall be deemed to be the resolution of the meeting at which the poll was demanded and shall replace any previous resolution upon the same matter which has been the subject of a show of hands. A person entitled to more than one vote need not use all his votes or cast all the votes he uses in the same way.

25.3 A poll demanded for the purpose of electing a chairman of the meeting or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken at such time and in such manner during such meeting as the chairman (or acting chairman) of the meeting may direct. Any business other than that upon which a poll has been demanded may be conducted pending the taking of the poll.

25.4 Where a vote is taken by poll, each person physically present and entitled to vote shall be furnished with a ballot paper on which such person shall record his vote in such manner as shall be determined at the meeting having regard to the nature of the question on which the vote is taken, and each ballot paper shall be signed or initialled or otherwise marked so as to identify the voter and the registered holder in the case of a proxy. Each person present by telephone or electronic means shall cast his vote in such manner as the chairman shall direct. At the conclusion of the poll, the ballot papers and votes cast in accordance with such directions shall be examined and counted by a committee of not less than two Members or proxy holders appointed by the chairman for the purpose and the result of the poll shall be declared by the chairman.

**26. Voting by Joint Holders of Shares**

In the case of joint holders, the vote of the senior who tenders a vote (whether in person or by proxy) shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the Register of Members.

**27. Instrument of Proxy**

27.1 An instrument appointing a proxy shall be in writing in substantially the form set out at Schedule "D" or such other form as the chairman of the meeting shall accept. The instrument of proxy shall be deemed to confer authority to demand or join in demanding a poll, be heard at the meeting and to vote on any amendment of a written resolution or amendment of a resolution put to the meeting for which it is given as the proxy thinks fit. The instrument of proxy shall, unless it otherwise provides, be valid as well for any adjournment of the meeting to which it relates.

27.2 The instrument appointing a proxy must be received by the Company at the Registered Office or at such other place or in such manner as is specified in the notice convening the meeting or in any instrument of proxy sent out by the Company in relation to the meeting at which the person named in the instrument appointing a proxy proposes to vote, and an instrument appointing a proxy which is not received in the manner so prescribed shall be invalid.

27.3 A Member who is the holder of two or more shares may appoint more than one proxy to represent him and vote on his behalf in respect of different shares.

27.4 The decision of the chairman of any general meeting as to the validity of any appointment of a proxy shall be final.

**28. Representation of Corporate Member**

28.1 A corporation which is a Member may, by written instrument, authorise such person or persons as it thinks fit to act as its representative at any meeting and any person so authorised shall be entitled to exercise the same powers on behalf of the corporation which such person represents as that corporation could exercise if it were an individual Member, and that Member shall be deemed to be present in person at any such meeting attended by its authorised representative or representatives.

28.2 Notwithstanding Bye-law 28.1, the chairman of the meeting may accept such assurances as he thinks fit as to the right of any person to attend and vote at general meetings on behalf of a corporation which is a Member.

**29. Adjournment of General Meeting**

The chairman of a general meeting may, with the consent of the Members at any general meeting at which a quorum is present, and shall if so directed by the meeting, adjourn the meeting. Unless the meeting is adjourned to a specific date, place and time announced at the meeting being adjourned, fresh notice of the date, place and time for the resumption of the adjourned meeting shall be given to each Member entitled to attend and vote at such meeting in accordance with these Bye-laws.

**30. Written Resolutions**

30.1 Subject to these Bye-laws, anything which may be done by resolution of the Company in general meeting or by resolution of a meeting of any class of the Members may, without a meeting may be done by written resolution in accordance with this Bye-law.

30.2 Notice of a written resolution shall be given, and a copy of the resolution shall be circulated to all Members who would be entitled to attend a meeting and vote thereon. The accidental omission to give notice to, or the non-receipt of a notice by, any Member does not invalidate the passing of a resolution.

30.3 A written resolution is passed when it is signed by, or in the case of a Member that is a corporation, on behalf of, the Members who at the date that the notice is given represent such majority of votes as would be required if the resolution was voted on at a meeting of Members at which all Members entitled to attend and vote thereat were present and voting.

30.4 A resolution in writing may be signed in any number of counterparts.

30.5 A resolution in writing made in accordance with this Bye-law is as valid as if it had been passed by the Company in general meeting or by a meeting of the relevant class of Members, as the case may be, and any reference in any Bye-law to a meeting at which a resolution is passed or to Members voting in favour of a resolution shall be construed accordingly.

30.6 A resolution in writing made in accordance with this Bye-law shall constitute minutes for the purposes of the Companies Act.

30.7 This Bye-law shall not apply to:

- (a) a resolution passed to remove an Auditor from office before the expiration of his term of office; or
- (b) a resolution passed for the purpose of removing a Director before the expiration of his term of office.

30.8 For the purposes of this Bye-law, the effective date of the resolution is the date when the resolution is signed by, or in the case of a Member that is a corporation whether or not a company within the meaning of the Companies Act, on behalf of, the last Member whose signature results in the necessary voting majority being achieved and any reference in any Bye-law to the date of passing of a resolution is, in relation to a resolution made in accordance with this Bye-law, a reference to such date.

**31. Directors Attendance at General Meetings**

The Directors shall be entitled to receive notice of, attend and be heard at any general meeting.

**DIVIDENDS AND CAPITALISATION**

**32. Dividends**

32.1 The Board may, subject to these Bye-laws and in accordance with the Companies Act, declare a dividend to be paid to the Members, in proportion to the number of shares held by them, and such dividend may be paid in cash or wholly or partly in specie in which case the Board may fix the value for distribution in specie of any assets. No unpaid dividend shall bear interest as against the Company.

32.2 The Board may fix any date as the record date for determining the Members entitled to receive any dividend.

32.3 The Company may pay dividends in proportion to the amount paid up on each share where a larger amount is paid up on some shares than on others.

32.4 The Board may declare and make such other distributions (in cash or in specie) to the Members as may be lawfully made out of assets of the Company. No unpaid distribution shall bear interest as against the Company.

**33. Power to Set Aside Profits**

The Board may, before declaring a dividend, set aside out of the surplus or profits of the Company, such amount as it thinks proper as a reserve to be used to meet contingencies or for equalising dividends or for any other purpose.

**34. Method of Payment**

34.1 Any dividend, interest, or other moneys payable in cash in respect of the shares may be paid by cheque or draft sent through the post directed to the Member at such Member's address in the Register of Members, or to such person and to such address as the holder may in writing direct.

34.2 In the case of joint holders, any dividend, interest or other moneys payable in cash in respect of shares may be paid by cheque or draft sent through the post directed to the address of the holder first named in the Register of Members, or to such person and to such address as the joint holders may in writing direct. If two or more persons are registered as joint holders of any shares any one can give an effectual receipt for any dividend paid in respect of such shares.

34.3 The Board may deduct from the dividends or distributions payable to any Member all moneys due from such Member to the Company on account of calls or otherwise.

**35. Capitalisation**

35.1 The Board may capitalise any amount for the time being standing to the credit of any of the Company's share premium or reserve accounts or to the credit of the profit and loss account or otherwise available for distribution by applying such amount in paying up unissued shares to be allotted as fully paid bonus shares pro rata to the Members.

35.2 The Board may capitalise any amount for the time being standing to the credit of a reserve account or amounts otherwise available for dividend distribution by applying such amounts in paying up in full, partly or nil paid shares of those Members who would have been entitled to such amounts if they were distributed by way of dividend or distribution.

**DIRECTORS AND OFFICERS**

**36. Election of Directors**

36.1 The Board shall be elected or appointed in the first place at the statutory meeting of the Company and thereafter, except in the case of a casual vacancy, at the annual general meeting or at any special general meeting called for that purpose. The Company may in general meeting set a shareholding requirement for Directors but unless so set there shall be no such requirement.

36.2 At any general meeting the Members may authorise the Board to fill any vacancy in their number left unfilled at a general meeting.

**37. Number of Directors**

The Board shall consist of not less than one Director or such number as the Members may determine.

**38. Term of Office of Directors**

Directors shall hold office for such term as the Members may determine or, in the absence of such determination, until the next annual general meeting or until their successors are elected or appointed or their office is otherwise vacated.

**39. Alternate Directors**

39.1 At any general meeting, the Members may elect a person or persons to act as a Director in the alternative to any one or more Directors or may authorise the Board to appoint such Alternate Directors.

- 39.2 Unless the Members otherwise resolve, any Director may appoint a person or persons to act as a Director in the alternative to himself by notice deposited with the Secretary. Any person so elected or appointed shall have all the rights and powers of the Director or Directors for whom such person is appointed in the alternative provided that such person shall not be counted more than once in determining whether or not a quorum is present.
- 39.3 An Alternate Director shall be entitled to receive notice of all meetings of the Board and to attend and vote at any such meeting at which a Director for whom such Alternate Director was appointed in the alternative is not personally present and generally to perform at such meeting all the functions of such Director for whom such Alternate Director was appointed.
- 39.4 An Alternate Director shall cease to be such if the Director for whom he was appointed to act as a Director in the alternative ceases for any reason to be a Director, but he may be re-appointed by the Board as an alternate to the person appointed to fill the vacancy in accordance with these Bye-laws.

**40. Removal of Directors**

- 40.1 Subject to any provision to the contrary in these Bye-laws, the Members entitled to vote for the election of Directors may, at any special general meeting convened and held in accordance with these Bye-laws, remove a Director provided that the notice of any such meeting convened for the purpose of removing a Director shall contain a statement of the intention so to do and be served on such Director not less than 14 days before the meeting and at such meeting the Director shall be entitled to be heard on the motion for such Director's removal.
- 40.2 If a Director is removed from the Board under this Bye-law, the Members may fill the vacancy at the meeting at which such Director is removed. In the absence of such election or appointment, the Board may fill the vacancy.

**41. Vacancy in the Office of Director**

- 41.1 The office of Director shall be vacated if the Director:
- (a) is removed from office pursuant to these Bye-laws or is prohibited from being a Director by law;
  - (b) is or becomes bankrupt, or makes any arrangement or composition with his creditors generally;
  - (c) is or becomes of unsound mind or dies; or
  - (d) resigns his office by notice to the Company.

41.2 The Board shall have the power to appoint any person as a Director to fill a vacancy on the Board occurring as a result of the death, disability, disqualification or resignation of any Director and to appoint an Alternate Director to any Director so appointed.

**42. Remuneration of Directors**

The remuneration (if any) of the Directors shall be determined by the Company in a general meeting and shall be deemed to accrue from day to day. The Directors may also be paid all travel, hotel and other expenses properly incurred by them in attending and returning from the meetings of the Board, any committee appointed by the Board, general meetings, or in connection with the business of the Company or their duties as Directors generally.

**43. Defect in Appointment**

All acts done in good faith by the Board, any Director, a member of a committee appointed by the Board, any person to whom the Board may have delegated any of its powers, or any person acting as a Director shall, notwithstanding that it be afterwards discovered that there was some defect in the appointment of any Director or person acting as aforesaid, or that he was, or any of them were, disqualified, be as valid as if every such person had been duly appointed and was qualified to be a Director or act in the relevant capacity.

**44. Directors to Manage Business**

The business of the Company shall be managed and conducted by the Board. In managing the business of the Company, the Board may exercise all such powers of the Company as are not required to be exercised by the Company in general meeting by these Bye-laws or the Companies Act.

**45. Powers of the Board of Directors**

The Board may:

- (a) appoint one or more Directors to the office of managing director or chief executive officer of the Company, who shall, subject to the control of the Board, supervise and administer all of the general business and affairs of the Company;
- (b) appoint a person to act as manager of the Company's day-to-day business and may entrust to and confer upon such manager such powers and duties as it deems appropriate for the transaction or conduct of such business;
- (c) appoint, suspend, or remove any manager, secretary, clerk, agent or employee of the Company and may fix their remuneration and determine their duties;
- (d) exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking, property and uncalled capital, or any part thereof, and may issue debentures, debenture stock, convertible loan notes, and other securities whether outright or as security for any debt, liability or obligation of the Company or any third party;



- (e) by power of attorney, appoint any company, firm, person or body of persons, whether nominated directly or indirectly by the Board, to be an attorney of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Board) and for such period and subject to such conditions as it may think fit and any such power of attorney may contain such provisions for the protection and convenience of persons dealing with any such attorney as the Board may think fit and may also authorise any such attorney to sub-delegate all or any of the powers, authorities and discretions so vested in the attorney;
- (f) procure that the Company pays all expenses incurred in promoting and incorporating the Company;
- (g) in connection with the issue of any share, pay such commission and brokerage as may be permitted by law; and
- (h) authorise any company, firm, person or body of persons to act on behalf of the Company for any specific purpose and in connection therewith to execute any deed, agreement, document or instrument on behalf of the Company.
- (i) present any petition and make any application in connection with the liquidation or reorganisation of Company;
- (j) delegate any of its powers (including the power to sub-delegate) to a committee of one or more persons appointed by the Board which may consist partly or entirely of non-Directors, provided that every such committee shall conform to such directions as the Board shall impose on them and provided further that the meetings and proceedings of any such committee shall be governed by the provisions of these Bye-laws regulating the meetings and proceedings of the Board, so far as the same are applicable and are not superseded by directions imposed by the Board; and
- (k) delegate any of its powers (including the power to sub-delegate) to any person on such terms and in such manner as the Board may see fit.

**46. Register of Directors and Officers**

The Board shall cause to be kept in one or more books at the Registered Office a Register of Directors and Officers and shall enter therein the particulars required by the Companies Act.

**47. Appointment of Officers**

The Board may appoint such Officers (who may or may not be Directors) as the Board may determine.

**48. Appointment of Secretary**

The Secretary shall be appointed by the Board from time to time.

**49. Duties of Officers**

The Officers shall have such powers and perform such duties in the management, business and affairs of the Company as may be delegated to them by the Board from time to time.

**50. Remuneration of Officers**

The Officers shall receive such remuneration as the Board may determine.

**51. Conflicts of Interest**

51.1 Any Director, or any Director's firm, partner or any company with whom any Director is associated, may act in any capacity for, be employed by or render services to the Company and such Director or such Director's firm, partner or company shall be entitled to remuneration as if such Director were not a Director. Nothing contained in this Bye-law shall authorise a Director or Director's firm, partner or company to act as Auditor to the Company.

51.2 A Director who is directly or indirectly interested in a contract or proposed contract or arrangement with the Company shall declare the nature of such interest as required by the Companies Act.

51.3 Following a declaration being made pursuant to this Bye-law, and unless disqualified by the chairman of the relevant Board meeting, a Director may vote in respect of any contract or proposed contract or arrangement in which such director is interested and may be counted in the quorum for such meeting.

**52. Indemnification and Exculpation of Directors and Officers**

52.1 The Directors, Secretary and other Officers (the term Officer for this Bye-law to include any person appointed to any committee by the Board) for the time being acting in relation to any of the affairs of the Company, any subsidiary thereof, and the liquidation or trustees (if any) for the time being acting in relation to any of the affairs of the Company or any subsidiary thereof and every one of them, and their heirs, executors and administrators, shall be indemnified and secured harmless out of the assets of the Company from and against all actions, costs, charges, losses, damages and expenses which they or any of them, their heirs, executors or administrators, shall or may incur or sustain by or by reason of any act done, concurred in or omitted in or about the execution of their duty, or supposed duty, or in their respective offices or trusts, and none of them shall be answerable for the acts, receipts, neglects or defaults of the others of them or for joining in any receipts for the sake of conformity, or for any bankers or other persons with whom any moneys or effects belonging to the Company shall or may be lodged or deposited for safe custody, or for insufficiency or deficiency of any security upon which any moneys of or belonging to the Company shall be placed out on or invested, or for any other loss, misfortune or damage which may happen in the execution of their respective offices or trusts, or in relation thereto, PROVIDED THAT this indemnity shall not extend to any matter in respect of any fraud or dishonesty which may attach to any of the said persons.

- 52.2 Each Member agrees to waive any claim or right of action such Member might have, whether individually or by or in the right of the Company, against any Director or Officer on account of any action taken by such Director or Officer, or the failure of such Director or Officer to take any action in the performance of his duties with or for the Company or any subsidiary thereof, PROVIDED THAT such waiver shall not extend to any matter in respect of any fraud or dishonesty which may attach to such Director or Officer.
- 52.3 The Company may purchase and maintain insurance for the benefit of any Director or Officer against any liability incurred by him under the Companies Act in his capacity as a Director or Officer or indemnifying such Director or Officer in respect of any loss arising or liability attaching to him by virtue of any rule of law in respect of any negligence, default, breach of duty or breach of trust of which the Director or Officer may be guilty in relation to the Company or any subsidiary thereof.
- 52.4 The Company may advance moneys to a Director or Officer for the costs, charges and expenses incurred by the Director or Officer in defending any civil or criminal proceedings against him, on condition that the Director or Officer shall repay the advance if any allegation of fraud or dishonesty is proved against him.

#### MEETINGS OF THE BOARD OF DIRECTORS

##### 53. Board Meetings

The Board may meet for the transaction of business, adjourn and otherwise regulate its meetings as it sees fit. A resolution put to the vote at a meeting of the Board shall be carried by the affirmative votes of a majority of the votes cast and in the case of an equality of votes the resolution shall fail.

##### 54. Notice of Board Meetings

A Director may, and the Secretary or Assistant Secretary on the requisition of a Director shall, upon not less than 72 hours advance notice, summon a meeting of the Board. Notice of a meeting of the Board shall be deemed to be duly given to a Director if it is given to such Director verbally (including in person or by telephone) or otherwise communicated or sent to such Director by post, electronic means, or other mode of representing words in visible form at such Director's last known address or in accordance with any other instructions given by such Director to the Company for this purpose. A Director may at any time waive the right to receive less than 72 hours advance notice of a meeting of the Board.

**55. Telephonic or electronic Participation In Meetings**

Directors may participate in any meeting by telephonic or such electronic means as permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously, and participation in such a meeting shall constitute presence in person at such meeting. Such a meeting shall be deemed to take place where the largest group of Directors participating in the meeting is physically assembled or, if there is no such group, where the chairman of the meeting then is.

**56. Quorum at Board Meetings**

The quorum necessary for the transaction of business at a meeting of the Board shall be one Director, or such number as the Members may determine.

**57. Board to Continue in the Event of Vacancy**

The Board may act notwithstanding any vacancy in its number but, if and so long as its number is reduced below the number fixed by these Bye-laws as the quorum necessary for the transaction of business at meetings of the Board, the continuing Directors or Director may act for the purpose of (i) summoning a general meeting; or (ii) preserving the assets of the Company.

**58. Chairman to Preside**

Unless otherwise agreed by a majority of the Directors attending, the Chairman, if there be one, and if not, the President, if there be one, shall act as chairman at all meetings of the Board at which such person is present. In their absence a chairman shall be appointed or elected by the Directors present at the meeting.

**59. Written Resolutions**

A resolution signed by all the Directors, which may be in counterparts, shall be as valid as if it had been passed at a meeting of the Board duly called and constituted, such resolution to be effective on the date on which the last Director signs the resolution. For the purposes of this Bye-law only, "the Directors" shall not include an Alternate Director.

**60. Validity of Prior Acts of the Board**

No regulation or alteration to these Bye-laws made by the Company in general meeting shall invalidate any prior act of the Board which would have been valid if that regulation or alteration had not been made.

**61. Books of Account**

61.1 The Board shall cause to be kept proper records of account with respect to all transactions of the Company and in particular with respect to:

- (a) all amounts of money received and expended by the Company and the matters in respect of which the receipt and expenditure relates;
- (b) all sales and purchases of goods by the Company; and
- (c) all assets and liabilities of the Company.

61.2 Such records of account shall be kept at the Registered Office, or subject to the Companies Act, at such other place as the Board thinks fit and shall be available for inspection by the Directors during normal business hours.

**62. Financial Year End**

The financial year end of the Company may be determined by resolution of the Board and failing such resolution shall be 30<sup>th</sup> June in each year.

**AUDITS**

**63. Annual Audit**

Subject to any rights to waive the laying of accounts or the appointment of an Auditor pursuant to the Companies Act, the accounts of the Company shall be audited at least once in every year.

**64. Appointment of Auditor**

64.1 Subject to the Companies Act and provided that the Members have not waived the requirement to hold an annual general meeting or appoint an Auditor, at the annual general meeting or at a subsequent special general meeting in each year, an independent representative of the Members shall be appointed by them as Auditor of the accounts of the Company.

64.2 The Auditor may be a Member but no Director, Officer or employee of the Company shall, during his continuance in office, be eligible to act as an Auditor of the Company.

**65. Remuneration of Auditor**

Save in the case of an Auditor appointed pursuant to Bye-law 70, the remuneration of the Auditor shall be fixed by the Company in a general meeting or in such manner as the Members may determine. In the case of an Auditor appointed pursuant to Bye-law 70, the remuneration of the Auditor shall be fixed by the Board.

**66. Duties of Auditor**

66.1 The financial statements provided for by these Bye-laws shall be audited by the Auditor in accordance with generally accepted auditing standards. The Auditor shall make a written report on such financial statements in accordance with generally accepted auditing standards.

66.2 The generally accepted auditing standards referred to in this Bye-law may be those of a country or jurisdiction other than Bermuda or such other generally accepted auditing standards as may be provided for in the Companies Act. If so, the financial statements and the report of the Auditor shall identify the generally accepted auditing standards used.

**67. Access to Records**

The Auditor shall at all reasonable times have access to all books kept by the Company and to all accounts and vouchers relating thereto, and the Auditor may call on the Directors or Officers of the Company for any information in their possession relating to the books or affairs of the Company.

**68. Financial Statements**

Subject to the waiver of the laying of accounts by the Members in accordance with the Companies Act, financial statements, as required by the Companies Act, shall be laid before the Members in an annual general meeting, or if the Members waive the requirement for an annual general meeting, financial statements, as required by the Companies Act, shall be made available to the Members in accordance with the Companies Act. A resolution in writing made in accordance with Bye-law 30 receiving, accepting, adopting, approving or otherwise acknowledging financial statements shall be deemed to be the laying of such statements before the Members in a general meeting.

**69. Distribution of Auditor's Report**

The report of the Auditor shall be submitted to the Members at a general meeting.

**70. Vacancy in the Office of Auditor**

The Board may fill any casual vacancy in the office of the Auditor.

**CORPORATE RECORDS**

**71. Minutes**

The Board shall cause minutes to be duly entered in books provided for the purpose of:

- (a) all elections and appointments of Officers;

(b) the names of the Directors present at each meeting of the Board and of any committee appointed by the Board; and

(c) all resolutions and proceedings of general meetings of the Members, meetings of the Board, meetings of managers and meetings of committees appointed by the Board.

**72. Place Where Corporate Records Kept**

Minutes prepared in accordance with the Companies Act and these Bye-laws shall be kept by the Secretary at the Registered Office.

**73. Form and Use of Seal**

73.1 The Company may adopt a seal in such form as the Board may determine. The Board may adopt one or more duplicate seals for use in or outside Bermuda.

73.2 A seal may, but need not be affixed to any deed, instrument, share certificate or document, and if the seal is to be affixed to such deed, instrument, share certificate or document, it shall be attested by the signature of (i) any Director, or (ii) any Officer, or (iii) the Secretary, or (iv) any person authorised by the Board for that purpose.

73.3 A Resident Representative may, but need not, affix the seal of the Company to certify the authenticity of any copies of documents.

**CHANGES TO CONSTITUTION**

**74. Alteration or amendment of Bye-laws**

No Bye-law may be rescinded, altered or amended and no new Bye-law may be made save in accordance with the Companies Act and until such amendment or alteration has been approved by a resolution of the Board and by a resolution of the Members.

**75. Alteration or amendment of Memorandum**

No alteration or amendment to the Memorandum may be made save in accordance with the Companies Act and until such alteration or amendment has been approved by a resolution of the Board and by a resolution of the Members.

**76. Discontinuance**

The Board may exercise all the powers of the Company to discontinue the Company to a jurisdiction outside Bermuda pursuant to the Companies Act.

**77. Registered Office**

The Registered Office shall be at such place in Bermuda as the Board shall from time to time determine.

**78. Amalgamation and Merger**

The Company may by resolution of the Members approve the amalgamation or merger of the Company with any other company wherever incorporated.

**79. Conversion**

The Company may by resolution of the Members approve a conversion of the Company into a partnership.

**VOLUNTARY WINDING-UP AND DISSOLUTION**

**80. Winding-Up**

If the Company shall be wound up the liquidator may, with the sanction of a resolution of the Members, divide amongst the Members in specie or in kind the whole or any part of the assets of the Company (whether they shall consist of property of the same kind or not) and may, for such purpose, set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the Members or different classes of Members. The liquidator may, with the same sanction of a resolution of the Members, vest the whole or any part of such assets in the trustees upon such trusts for the benefit of the Members as the liquidator shall think fit, but so that no Member shall be compelled to accept any shares or other securities or assets whereon there is any liability.



**SCHEDULE "A"**

**FORM OF NOTICE OF FORFEITURE (BYE-LAW 6)**

Notice of Forward March Limited (the "Company")

You have failed to pay the call of [amount of call] made on the [ ] day of [ ], 20[ ], in respect of the [number] share(s) [number in figures] standing in your name in the Register of Members of the Company, on the [ ] day of [ ], 20[ ], the day appointed for payment of such call. You are hereby notified that unless you pay such call together with interest on such call at the rate of [ ] per annum calculated from the said [ ] day of [ ], 20[ ] at the registered office of the Company the share(s) will be liable to be forfeited.

Dated this [ ] day of [ ], 20[ ]

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[Signature of Secretary]  
By Order of Board

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**SCHEDULE "B"**

**FORM OF TRANSFER (BYE-LAW 11)**

Transfer of a Share or Shares  
Forward March Limited (the "Company")

FOR VALUE RECEIVED [amount], I/We, [name of transferor] hereby sell, assign and transfer unto [transferee] of [address], [number] of shares of the Company.

DATED this [ ] day of [ ], 20[ ]

Signed by:

In the presence of:

\_\_\_\_\_  
Transferor

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Transferee

\_\_\_\_\_  
Witness

\_\_\_\_\_

**SCHEDULE "C"**

**FORM OF TRANSFER (BYE-LAW 12.2)**

Transfer by a Person Becoming Entitled on Death/Bankruptcy of a Member  
Forward March Limited (the "Company")

I/We, having become entitled in consequence of the [death/bankruptcy] of [name and address of deceased/bankrupt Member] to [number] share(s) standing in the Register of Members of the Company in the name of the said [name of deceased/bankrupt Member] instead of being registered myself/ourselves, elect to have [name of transferee] (the "Transferee") registered as a transferee of such share(s) and I/we do hereby accordingly transfer the said share(s) to the Transferee to hold the same unto the Transferee, his or her executors, administrators and assigns, subject to the conditions on which the same were held at the time of the execution hereof; and the Transferee does hereby agree to take the said share(s) subject to the same conditions.

DATED this [ ] day of [ ], 20[ ]

Signed by:

\_\_\_\_\_

Transferor

\_\_\_\_\_

Transferee

In the presence of:

\_\_\_\_\_

Witness

\_\_\_\_\_

Witness

\_\_\_\_\_

FORWARD MARCH LIMITED  
(REGISTRATION #52447)  
(THE "COMPANY")  
CERTIFICATE OF DESIGNATION, PREFERENCES AND RIGHTS OF  
CONVERTIBLE PREFERENCE SHARES  
(THIS "CERTIFICATE OF DESIGNATION")<sup>1</sup>

The Company HEREBY CERTIFIES that, pursuant to resolutions of the Board of Directors passed on June 20 2017, the Company created its Convertible Preference Shares, of par value US\$0.0001 each, and that the designation, powers, preferences and rights and the qualifications, limitations and restrictions thereof are set forth in this Certificate of Designation:

Section 1. Designation and Number of Convertible Preference Shares. The designation of the preference shares authorized hereby shall be "Convertible Preference Shares" (the "Convertible Preference Shares"). The maximum number of Convertible Preference Shares shall be 4,749,861.

Section 2. Dividends.

2A. General Obligation. When, as and if declared by the Board of Directors, to the extent permitted under the Act, the Company shall pay dividends to the holders of the Convertible Preference Shares, as provided in this Section 2.

2B. Dividend Preference. The Company shall not declare nor pay any dividends or make any distribution upon any class of Common Shares, until and unless the Company has declared and paid a dividend of at least US\$2.00 with respect to each Convertible Preference Share.

Section 3. Liquidation. On any voluntary or involuntary liquidation, dissolution or winding-up of the Company, holders of Convertible Preference Shares shall be entitled to receive, proportionately according to the number of Convertible Preference Shares held, those assets available for distribution to the members.

Section 4. Voting Rights. The holders of Convertible Preference Shares shall be entitled to notice of all meetings of members as and when such notice is provided to the holders of Common Shares using the methods provided in accordance with the Bye-Laws or as otherwise required by applicable law. The holders of Convertible Preference Shares shall be entitled to vote (on an as-converted basis), together with the holders of the Common Shares voting together as a single class, on all matters (including the election of directors) submitted to the shareholders for a vote. The holders of Convertible Preference Shares shall be entitled to the number of votes equal to the number of Common Shares into which the Convertible Preference Shares held could be converted pursuant to the terms hereof as of the record date for such vote or, if no record date is specified, as of the date of such vote. Fractional votes shall not, however, be permitted and any fractional voting rights available on an as-converted basis shall be rounded to the nearest whole number (with one-half being rounded upward).

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<sup>1</sup> Capitalized terms used but not otherwise defined herein shall have the meanings set forth in Section 9.

Section 5. Conversion.

5A. Mandatory Conversion. All of the then issued Convertible Preference Shares shall automatically convert into Common Shares, in accordance with the provisions of this Section upon the consummation of a Qualified Public Offering, with such conversion only being effected at the time of and subject to the closing of the sale of securities by the Company pursuant to such Qualified Public Offering.

5B. Conversion Procedure.

(i) Conversion pursuant to Section 5A shall be automatic, without the need for any further action on behalf of the holders of Convertible Preference Shares, and regardless of whether the certificates representing such shares (if any) are surrendered to the Company or its transfer agent.

(ii) Each Convertible Preference Share shall be convertible into one Common Share. If the Convertible Preference Shares undergo any share split, share consolidation or other similar recapitalization, then the provisions of this Section 5B(ii) shall be appropriately adjusted such that a holder of Convertible Preference Shares shall receive upon conversion the same number of Common Shares such holder would have received if it had converted its Convertible Preference Shares immediately prior to the such event.

(iii) At the time any such conversion has been effected, the rights of the holder of the Convertible Preference Shares converted (as a holder of such converted Convertible Preference Shares) shall cease and such converted Convertible Preference Shares shall cease to have the rights and restrictions of Convertible Preference Shares provided hereby and shall convert to and become Common Shares, as applicable, and the Person or Persons in whose name or names Common Shares are to be registered upon such conversion shall thereby become the holder or holders of record of such Common Shares.

(iv) As soon as possible after a conversion has been effected (but in any event within five (5) Business Days following such conversion) the Company shall amend its register of members to effect the conversion and shall thereafter deliver to the converting holder:

(a) a notice stating that the Convertible Preference Shares have been converted and that any certificates evidencing Convertible Preference Shares must be surrendered at the office of the Company;

(b) a certificate or certificates representing the number of Common Shares issuable by reason of such conversion in such name or names and such denomination or denominations as the converting holder has specified; and

(c) payment in cash of the amount payable under Section Error! Reference source not found. below with respect to such conversion.

(v) The issuance of certificates for Common Shares upon conversion of Convertible Preference Shares shall be made without charge to the holders of such Convertible Preference Shares for any issuance or stamp tax in respect thereof or other cost incurred by the Company in connection with such conversion into Common Shares. Upon conversion of each Convertible Preference Share, the Company shall take all such actions as are necessary in order to ensure that the Common Shares resulting from such conversion shall be duly and validly issued, fully paid, and free and clear of all taxes, liens, charges and encumbrances except those created by the holder thereof.

(vi) The Company shall not close its books against the transfer of Convertible Preference Shares or Common Shares resulting from conversion of Convertible Preference Shares in any manner that interferes with the timely conversion of Convertible Preference Shares. The Company shall assist and cooperate with any holder of Convertible Preference Shares required to make any governmental filings or obtain any governmental approval prior to or in connection with any conversion of Convertible Preference Shares hereunder (including, without limitation, making any filings required to be made by the Company).

(vii) The Company shall at all times reserve and keep available out of its authorized but unissued Common Shares, solely for the purpose of issuance upon the conversion of Convertible Preference Shares, such number of shares of Common Shares issuable upon the conversion of all outstanding Convertible Preference Shares. All Common Shares which are so issuable shall, when issued, be duly and validly issued, fully paid, and free and clear of all taxes, liens, charges and encumbrances except those created by the holder thereof. The Company shall take all such actions as may be necessary to ensure that all Common Shares may be so issued without violation of any applicable law or governmental regulation or any requirements of any domestic securities exchange upon which the Common Shares may be listed (except for official notice of issuance which shall be immediately delivered by the Company upon each such issuance). The Company shall not take any action that would cause the number of authorized but unissued Common Shares to be less than the number of such shares required to be reserved hereunder for issuance upon conversion of Convertible Preference Shares.

(viii) No fractional shares shall result from the conversion of any Convertible Preference Shares, and the number of Common Shares resulting from such conversion shall be rounded down to the nearest whole share. The number of shares resulting from such conversion shall be determined on the basis of the total number of Convertible Preference Shares the holder is at the time converting into Common Shares and the number of Common Shares which will result from such aggregate conversion. If the conversion would result in any fractional share, the Company shall, in lieu of such fractional share, pay the holder thereof an amount in cash equal to the fair market value of such fractional share on the date of conversion, as determined in good faith by the Board of Directors.

(ix) If there occurs a change in the capitalization of the Company as permitted herein and if the Common Shares resulting from conversion of Convertible Preference Shares are convertible into or exchangeable for any other shares or securities of the Company, the Company shall, at the converting holder's option, upon surrender of the Convertible Preference Shares to be converted by such holder as provided herein together with any notice, statement or payment required to effect such conversion or exchange of Common Shares, deliver to such holder or as otherwise specified by such holder a certificate or certificates representing the shares or securities into which the Common Shares resulting from conversion are so convertible or exchangeable, registered in such name or names and in such denomination or denominations as such holder has specified.

5C. Notices.

(i) The Company shall give written notice to all holders of Convertible Preference Shares at least twenty (20) days prior to the date on which the Company closes its books or takes a record (a) with respect to any dividend or distribution upon the Common Shares, (b) with respect to any *pro rata* subscription offer to holders of Common Shares or (c) for determining rights to vote with respect to any dissolution or liquidation.

(ii) The Company shall also give written notice to the holders of Convertible Preference Shares at least twenty (20) days prior to the date on which any Qualified Public Offering shall take place.

Section 6. Purchase Rights. Excluding Options granted pursuant to the Option Plan, at any time the Company grants, issues or sells any Options, Convertible Securities or rights to purchase shares, warrants, securities or other property pro rata to the record holders of Common Shares (the "Purchase Rights"), each holder of Convertible Preference Shares then issued shall be entitled to acquire, upon the terms applicable to such Purchase Rights, the aggregate Purchase Rights which such holder could have acquired if such holder had held the number of Common Shares (treated for this purpose as a single class) acquirable upon conversion of such holder's Convertible Preference Shares immediately before the date on which a record is taken for the grant, issuance or sale of such Purchase Rights, or if no such record is taken, the date as of which the record holders of Common Shares are to be determined for the grant, issue or sale of such Purchase Rights.

Section 7. Registration of Transfer. The Company shall keep at its principal office a register of members for the registration of holders of Convertible Preference Shares. Upon the surrender of any certificate representing Convertible Preference Shares at such place, the Company shall, at the request of the record holder of such certificate, execute and deliver (at the Company's expense) a new certificate or certificates in exchange therefor representing in the aggregate the number of Convertible Preference Shares represented by the surrendered certificate. Each such new certificate shall be registered in such name and shall represent such number of Convertible Preference Shares as is requested by the holder of the surrendered certificate and shall be substantially identical in form to the surrendered certificate, and dividends shall accrue on the Convertible Preference Shares represented by such new certificate from the date to which dividends have been fully paid on such Convertible Preference Shares represented by the surrendered certificate.

Section 8. Replacement. Upon receipt of evidence reasonably satisfactory to the Company (an affidavit of the registered holder shall be satisfactory) of the ownership and the loss, theft, destruction or mutilation of any certificate evidencing Convertible Preference Shares, and in the case of any such loss, theft or destruction, upon receipt of an indemnity from such holder reasonably satisfactory to the Company, or, in the case of any such mutilation upon surrender of such certificate, the Company shall (at its expense) execute and deliver in lieu of such certificate a new certificate of like kind representing the number of Convertible Preference Shares of such class represented by such lost, stolen, destroyed or mutilated certificate and dated the date of such lost, stolen, destroyed or mutilated certificate, and dividends shall accrue on the Convertible Preference Shares represented by such new certificate from the date to which dividends have been fully paid on such lost, stolen, destroyed or mutilated certificate.

Section 9. Representation on the Board of Directors. The holders of the Convertible Preference Shares shall together be entitled by notice in writing to the Company to appoint (and remove) seven (7) Persons to the Board of Directors.

Section 10. Definitions.

“Acceptable Exchange” means (i) any of the New York Stock Exchange, the NASDAQ National Market, the London Stock Exchange, the “AIM” market operated by the London Stock Exchange plc (“AIM”) or the Hong Kong Stock Exchange or (ii) if agreed in writing by the Company and the holders of a majority of the Convertible Preference Shares then issued based on their good faith determination, either of the Stock Exchange of Singapore or the Dubai International Financial Exchange.

“Act” means the Companies Act 1981 (as amended).

“Board of Directors” means the board of directors of the Company.

“Business Day” means any day other than a Saturday, a Sunday or a day on which banks in New York City are authorized or obligated by law or executive order to close.

“Bye-laws” means the bye-laws of the Company in force from time to time.

“Common Share” means any common share of the Company.

“Convertible Securities” means any shares or securities directly or indirectly convertible into or exchangeable for Common Shares.

“Junior Securities” means any share capital or other equity securities of the Company, except for the Convertible Preference Shares.

“Option Plan” means the 2017 Stock Plan of the Company.

“Options” means any rights, warrants or options to subscribe for or purchase Common Shares or Convertible Securities or other Junior Securities.

“Person” means an individual, a partnership, a company, a limited liability company, a limited liability partnership, an association, a joint stock company, a trust, a joint venture, an unincorporated organization and a governmental entity or any department, agency or political subdivision thereof.



"Qualified Public Offering" shall mean a firm commitment underwritten initial public offering of shares of the Common Shares pursuant to an effective registration statement under the US Securities Act of 1933 (or otherwise conducted in accordance with applicable law) providing for the listing of the Common Shares on an Acceptable Exchange.

Section 11. Governing Law. This Certificate of Designations shall be governed and construed in accordance with the Act.

Section 12. Amendment and Waiver. No amendment, modification, waiver or change in the terms hereof through merger, amalgamation, or consolidation of the Company with another company or entity shall be binding or effective with respect to any provision of this Certificate of Designation without the prior written consent of the holders of at least a majority of the Convertible Preference Shares outstanding at the time such action is taken.

Section 13. Notices. Except as otherwise expressly provided hereunder, all notices referred to herein shall be in writing and shall be (i) delivered in person, (ii) transmitted by email, (iii) sent by registered or certified mail, postage prepaid with return receipt requested, or (iv) sent by reputable overnight courier service, fees prepaid, to (x) the Company, at its principal executive offices and (y) to any shareholder, at such shareholder's address or email address as it appears in the records of the Company (unless otherwise indicated in writing by any such shareholder). Notices shall be deemed given upon personal delivery, upon receipt of return receipt in the case of delivery by mail, upon transmission in the case of delivery by email (unless a rejection message from the recipients email is received confirming non-delivery) or one day following deposit with an overnight courier service.

Section 14. The Bye-laws. If there shall be any conflict between the provisions of this Certificate of Designations and the Bye-laws then, for so long as any Convertible Preference Shares are issued and outstanding, the provisions of this Certificate of Designations shall prevail.

IN WITNESS WHEREOF, the Company has caused this Certificate of Designation to be signed by a director.



SIGNED  
for and on behalf of  
FORWARD MARCH LIMITED

\_\_\_\_\_  
Director



**2017 STOCK PLAN**

1. **Purposes of the Plan.** The purposes of this 2017 Stock Plan are to attract and retain the best available personnel for positions of substantial responsibility, to provide additional incentive to Employees and Consultants, and to promote the success of the Company's business. Options granted under the Plan may be Incentive Stock Options or Nonstatutory Stock Options, as determined by the Administrator at the time of grant of an Option and subject to the applicable provisions of Section 422 of the Code and the regulations promulgated thereunder. Restricted Stock may also be granted under the Plan.

2. **Definitions.** As used herein, the following definitions shall apply:

(a) **"Administrator"** means the Board or a Committee.

(b) **"Affiliate"** means (i) an entity other than a Subsidiary which, together with the Company, is under common control of a third person or entity and (ii) an entity other than a Subsidiary in which the Company and /or one or more Subsidiaries own a controlling interest.

(c) **"Applicable Laws"** means all applicable laws, rules, regulations and requirements, including, but not limited to, all applicable U.S. federal or state laws, any Stock Exchange rules or regulations, and the applicable laws, rules or regulations of any other country or jurisdiction where Options or Restricted Stock are granted under the Plan or Participants reside or provide services, as such laws, rules, and regulations shall be in effect from time to time.

(d) **"Award"** means any award of an Option or Restricted Stock under the Plan.

(e) **"Board"** means the Board of Directors of the Company.

(f) **"California Participant"** means a Participant whose Award is issued in reliance on Section 25102(o) of the California Corporations Code.

(g) **"Cashless Exercise"** means a program approved by the Administrator in which payment of the Option exercise price or tax withholding obligations or other required deductions may be satisfied, in whole or in part, with Shares subject to the Option, including by delivery of an irrevocable direction to a securities broker (on a form prescribed by the Company) to sell Shares and to deliver all or part of the sale proceeds to the Company in payment of such amount.

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(h) **“Cause”** for termination of a Participant’s Continuous Service Status will exist (unless another definition is provided in an applicable Option Agreement, Restricted Stock Purchase Agreement, employment agreement or other applicable written agreement, in which such cause shall be “Cause” hereunder) if the Participant’s Continuous Service Status is terminated for any of the following reasons: (i) any material breach by Participant of any written agreement between Participant and the Company and, where the breach is curable as determined in the Board’s discretion, Participant’s failure to cure such breach within 10 days after receiving written notice thereof; (ii) any failure by Participant to comply with the Company’s written policies or rules as they may be in effect from time to time; (iii) neglect or persistent unsatisfactory performance of Participant’s duties, as determined in the Board’s discretion; (iv) Participant’s repeated failure to follow reasonable and lawful instructions from the Board or Chief Executive Officer, as applicable; (v) Participant’s conviction of, or plea of guilty or nolo contendere to, any felony or crime that results in, or which the Board determines in its reasonable discretion is expected to result in, damage to the business or reputation of the Company; (vi) Participant’s commission of or participation in an act of fraud or intentional misconduct against the Company; (vii) Participant’s intentional damage to the Company’s business, property or reputation; or (viii) Participant’s unauthorized use or disclosure of any proprietary information or trade secrets of the Company or any other party to whom the Participant owes an obligation of nondisclosure as a result of his or her relationship with the Company. For purposes of clarity, a termination without “Cause” does not include any termination that occurs as a result of Participant’s death or Disability. The determination as to whether a Participant’s Continuous Service Status has been terminated for Cause shall be made in good faith by the Company and shall be final and binding on the Participant. The foregoing definition does not in any way limit the Company’s ability to terminate a Participant’s employment or consulting relationship at any time, and the term “Company” will be interpreted to include any Subsidiary, Parent, Affiliate, or any successor thereto, if appropriate. Where written notice is required under this subsection (h), written notice transmitted by email to a Participant’s email account (whether a personal or work email account) shall suffice and be deemed delivered upon the sending of the email.

(i) **“Change of Control”** means (i) a sale of all or substantially all of the Company’s assets other than to an Excluded Entity (as defined below), (ii) an amalgamation, merger, consolidation or other capital reorganization or business combination transaction of the Company with or into another corporation, limited liability company or other entity other than an Excluded Entity, or (iii) the consummation of a transaction, or series of related transactions, in which any “person” (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) becomes the “beneficial owner” (as defined in Rule 13d-3 of the Exchange Act), directly or indirectly, of all of the Company’s then outstanding voting securities.

Notwithstanding the foregoing, a transaction shall not constitute a Change of Control if its purpose is to (A) change the jurisdiction of the Company’s incorporation, (B) create a holding company that will be owned in substantially the same proportions by the persons who hold the Company’s securities immediately before such transaction, or (C) obtain funding for the Company in a financing that is approved by the Company’s Board. An **“Excluded Entity”** means a corporation or other entity of which the holders of voting capital stock of the Company outstanding immediately prior to such transaction are the direct or indirect holders of voting securities representing at least a majority of the votes entitled to be cast by all of such corporation’s or other entity’s voting securities outstanding immediately after such transaction.

(j) **“Code”** means the Internal Revenue Code of 1986, as amended.

(k) “**Committee**” means one or more committees or subcommittees of the Board consisting of two (2) or more Directors (or such lesser or greater number of Directors as shall constitute the minimum number permitted by Applicable Laws to establish a committee or sub-committee of the Board) appointed by the Board to administer the Plan in accordance with Section 4 below.

(l) “**Common Stock**” means the Company’s common shares having a par value of US \$0.0001 per share, as adjusted in accordance with Section 11 below.

(m) “**Company**” means Forward March Limited, an exempted Bermuda company.

(n) “**Consultant**” means any person or entity, including an advisor but not an Employee, that renders, or has rendered, services to the Company, or any Parent, Subsidiary or Affiliate and is compensated for such services, and any Director whether compensated for such services or not.

(o) “**Continuous Service Status**” means the absence of any interruption or termination of service as an Employee or Consultant. Continuous Service Status as an Employee or Consultant shall not be considered interrupted or terminated in the case of: (i) Company approved sick leave; (ii) military leave; (iii) any other bona fide leave of absence approved by the Company, provided that, if an Employee is holding an Incentive Stock Option and such leave exceeds 3 months, such Employee’s service as an Employee shall be deemed terminated on the 1st day following such 3-month period and the Incentive Stock Option shall thereafter automatically become a Nonstatutory Stock Option in accordance with Applicable Laws, unless reemployment upon the expiration of such leave is guaranteed by contract or statute, or unless provided otherwise pursuant to a written Company policy. Also, Continuous Service Status as an Employee or Consultant shall not be considered interrupted or terminated in the case of a transfer between locations of the Company or between the Company, its Parents, Subsidiaries or Affiliates, or their respective successors, or a change in status from an Employee to a Consultant or from a Consultant to an Employee.

(p) “**Director**” means a member of the Board.

(q) “**Disability**” means “disability” within the meaning of Section 22(e)(3) of the Code.

(r) “**Employee**” means any person employed by the Company, or any Parent, Subsidiary or Affiliate, with the status of employment determined pursuant to such factors as are deemed appropriate by the Company in its sole discretion, subject to any requirements of Applicable Laws, including the Code. The payment by the Company of a director’s fee shall not be sufficient to constitute “employment” of such director by the Company or any Parent, Subsidiary or Affiliate.

(s) “**Exchange Act**” means the Securities Exchange Act of 1934, as amended.

(t) **“Fair Market Value”** means, as of any date, the per share fair market value of the Common Stock, as determined by the Administrator in good faith on such basis as it deems appropriate and applied consistently with respect to Participants. Whenever possible, the determination of Fair Market Value shall be based upon the per share closing price for the Shares as reported in The Wall Street Journal for the applicable date.

(u) **“Family Members”** means any child, stepchild, grandchild, parent, stepparent, grandparent, spouse, former spouse, sibling, niece, nephew, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law (including adoptive relationships) of the Participant, any person sharing the Participant’s household (other than a tenant or employee), a trust in which these persons (or the Participant) have more than 50% of the beneficial interest, a foundation in which these persons (or the Participant) control the management of assets, and any other entity in which these persons (or the Participant) own more than 50% of the voting interests.

(v) **“Incentive Stock Option”** means an Option intended to, and which does, in fact, qualify as an incentive stock option within the meaning of Section 422 of the Code.

(w) **“Involuntary Termination”** means (unless another definition is provided in the applicable Option Agreement, Restricted Stock Purchase Agreement, employment agreement or other applicable written agreement) the termination of a Participant’s Continuous Service Status other than for (i) death, (ii) Disability or (iii) for Cause by the Company or a Parent, Subsidiary, Affiliate or successor thereto, as appropriate.

(x) **“Listed Security”** means any security of the Company that is listed or approved for listing on a national securities exchange or designated or approved for designation as a national market system security on an interdealer quotation system by the Financial Industry Regulatory Authority (or any successor thereto).

(y) **“Nonstatutory Stock Option”** means an Option that is not intended to, or does not, in fact, qualify as an Incentive Stock Option.

(z) **“Option”** means a stock option granted pursuant to the Plan.

(aa) **“Option Agreement”** means a written document, the form(s) of which shall be approved from time to time by the Administrator, reflecting the terms of an Option granted under the Plan and includes any documents attached to or incorporated into such Option Agreement, including, but not limited to, a notice of stock option grant and a form of exercise notice.

(bb) **“Option Exchange Program”** means a program approved by the Administrator whereby outstanding Options (i) are exchanged for Options with a lower exercise price, Restricted Stock, cash or other property or (ii) are amended to decrease the exercise price as a result of a decline in the Fair Market Value.

(cc) **“Optioned Stock”** means Shares that are subject to an Option or that were issued pursuant to the exercise of an Option.

(dd) **“Optionee”** means an Employee or Consultant who receives an Option.

(ee) **“Parent”** means any corporation (other than the Company) in an unbroken chain of corporations ending with the Company if, at the time of grant of the Award, each of the corporations other than the Company owns stock possessing 50% or more of the total combined voting power of all classes of stock in one of the other corporations in such chain. A corporation that attains the status of a Parent on a date after the adoption of the Plan shall be considered a Parent commencing as of such date.

(ff) **“Participant”** means any holder of one or more Awards or Shares issued pursuant to an Award.

(gg) **“Plan”** means this 2017 Stock Plan.

(hh) **“Restricted Stock”** means Shares acquired pursuant to a right to purchase or receive Common Stock granted pursuant to Section 8 below.

(ii) **“Restricted Stock Purchase Agreement”** means a written document, the form(s) of which shall be approved from time to time by the Administrator, reflecting the terms of Restricted Stock granted under the Plan and includes any documents attached to such agreement.

(jj) **“Rule 16b-3”** means Rule 16b-3 promulgated under the Exchange Act, as amended from time to time, or any successor provision.

(kk) **“Share”** means a share of Common Stock, as adjusted in accordance with Section 11 below.

(ll) **“Stock Exchange”** means any stock exchange or consolidated stock price reporting system on which prices for the Common Stock are quoted at any given time.

(mm) **“Subsidiary”** means any corporation (other than the Company) in an unbroken chain of corporations beginning with the Company if, at the time of grant of the Award, each of the corporations other than the last corporation in the unbroken chain owns stock possessing 50% or more of the total combined voting power of all classes of stock in one of the other corporations in such chain. A corporation that attains the status of a Subsidiary on a date after the adoption of the Plan shall be considered a Subsidiary commencing as of such date.

(nn) **“Ten Percent Holder”** means a person who owns stock representing more than 10% of the voting power of all classes of stock of the Company or any Parent or Subsidiary measured as of an Award’s date of grant.

3. **Stock Subject to the Plan.** Subject to the provisions of Section 11 below, the maximum aggregate number of Shares that may be issued under the Plan is 2,007,498 Shares, all of which Shares may be issued under the Plan pursuant to Incentive Stock Options. The Shares issued under the Plan may be authorized, but unissued, or reacquired Shares. If an Award should expire or become unexercisable for any reason without having been exercised in full, or is surrendered pursuant to an Option Exchange Program, the unpurchased Shares that were subject thereto shall, unless the Plan shall have been terminated, become available for future grant under the Plan. In addition, any Shares which are retained by the Company upon exercise of an Award in order to satisfy the exercise or purchase price for such Award or any withholding taxes due with respect to such Award shall be treated as not issued and shall continue to be available under the Plan and Shares issued under the Plan and later forfeited to the Company due to the failure to vest or repurchased by the Company at the original purchase price paid to the Company for the Shares (including, without limitation, upon forfeiture to or repurchase by the Company in connection with the termination of a Participant's Continuous Service Status) shall again be available for future grant under the Plan.

4. **Administration of the Plan.**

(a) **General.** The Plan shall be administered by the Board, a Committee appointed by the Board, or any combination thereof, as determined by the Board. The Plan may be administered by different administrative bodies with respect to different classes of Participants and, if permitted by Applicable Laws, the Board may authorize one or more officers of the Company to make Awards under the Plan to Employees and Consultants (who are not subject to Section 16 of the Exchange Act) within parameters specified by the Board.

(b) **Committee Composition.** If a Committee has been appointed pursuant to this Section 4, such Committee shall continue to serve in its designated capacity until otherwise directed by the Board. From time to time the Board may increase the size of any Committee and appoint additional members thereof, remove members (with or without cause) and appoint new members in substitution therefor, fill vacancies (however caused) and dissolve a Committee and thereafter directly administer the Plan, all to the extent permitted by Applicable Laws and, in the case of a Committee administering the Plan in accordance with the requirements of Rule 16b-3 or Section 162(m) of the Code, to the extent permitted or required by such provisions.

(c) **Powers of the Administrator.** Subject to the provisions of the Plan and, in the case of a Committee, the specific duties delegated by the Board to such Committee, the Administrator shall have the authority, in its sole discretion:

- (i) to determine the Fair Market Value in accordance with Section 2(t) above, provided that such determination shall be applied consistently with respect to Participants under the Plan;
- (ii) to select the Employees and Consultants to whom Awards may from time to time be granted;
- (iii) to determine the number of Shares to be covered by each Award;
- (iv) to approve the form(s) of agreement(s) and other related documents used under the Plan;

(v) to determine the terms and conditions, not inconsistent with the terms of the Plan, of any Award granted hereunder, which terms and conditions include but are not limited to the exercise or purchase price, the time or times when Awards may vest and/or be exercised (which may be based on performance criteria), the circumstances (if any) when vesting will be accelerated or forfeiture restrictions will be waived, and any restriction or limitation regarding any Award, Optioned Stock, or Restricted Stock;



(vi) to amend any outstanding Award or agreement related to any Optioned Stock or Restricted Stock, including any amendment adjusting vesting (e.g., in connection with a change in the terms or conditions under which such person is providing services to the Company), provided that no amendment shall be made that would materially and adversely affect the rights of any Participant without his or her consent;

(vii) to determine whether and under what circumstances an Option may be settled in cash under Section 7(c)(iii) below instead of Common Stock;

(viii) subject to Applicable Laws, to implement an Option Exchange Program and establish the terms and conditions of such Option Exchange Program without consent of the holders of Capital Stock, provided that no amendment or adjustment to an Option that would materially and adversely affect the rights of any Participant shall be made without his or her consent;

(ix) to approve addenda pursuant to Section 17 below or to grant Awards to, or to modify the terms of, any outstanding Option Agreement or Restricted Stock Purchase Agreement or any agreement related to any Optioned Stock or Restricted Stock held by Participants who are foreign nationals or employed outside of the United States with such terms and conditions as the Administrator deems necessary or appropriate to accommodate differences in local law, tax policy or custom which deviate from the terms and conditions set forth in this Plan to the extent necessary or appropriate to accommodate such differences; and

(x) to construe and interpret the terms of the Plan, any Option Agreement or Restricted Stock Purchase Agreement, and any agreement related to any Optioned Stock or Restricted Stock, which constructions, interpretations and decisions shall be final and binding on all Participants.

(d) **Indemnification.** To the maximum extent permitted by Applicable Laws, each member of the Committee (including officers of the Company, if applicable), or of the Board, as applicable, shall be indemnified and held harmless by the Company against and from (i) any loss, cost, liability, or expense that may be imposed upon or reasonably incurred by him or her in connection with or resulting from any claim, action, suit, or proceeding to which he or she may be a party or in which he or she may be involved by reason of any action taken or failure to act under the Plan or pursuant to the terms and conditions of any Award except for actions taken in bad faith or failures to act in bad faith, and (ii) any and all amounts paid by him or her in settlement thereof, with the Company's approval, or paid by him or her in satisfaction of any judgment in any such claim, action, suit, or proceeding against him or her, provided that such member shall give the Company an opportunity, at its own expense, to handle and defend any such claim, action, suit or proceeding before he or she undertakes to handle and defend it on his or her own behalf. The foregoing right of indemnification shall not be exclusive of any other rights of indemnification to which such persons may be entitled under the Company's Memorandum of Association or Bye-laws, by contract, as a matter of law, or otherwise including pursuant to the Bermuda Companies Act, or under any other power that the Company may have to indemnify or hold harmless each such person.

5. **Eligibility.**

(a) **Recipients of Grants.** Nonstatutory Stock Options and Restricted Stock may be granted to Employees and Consultants. Incentive Stock Options may be granted only to Employees, provided that Employees of Affiliates shall not be eligible to receive Incentive Stock Options.

(b) **Type of Option.** Each Option shall be designated in the Option Agreement as either an Incentive Stock Option or a Nonstatutory Stock Option.

(c) **ISO \$100,000 Limitation.** Notwithstanding any designation under Section 5(b) above, to the extent that the aggregate Fair Market Value of Shares with respect to which options designated as incentive stock options are exercisable for the first time by any Optionee during any calendar year (under all plans of the Company or any Parent or Subsidiary) exceeds \$100,000, such excess options shall be treated as nonstatutory stock options. For purposes of this Section 5(c), incentive stock options shall be taken into account in the order in which they were granted, and the Fair Market Value of the Shares subject to an incentive stock option shall be determined as of the date of the grant of such option.

(d) **No Employment Rights.** Neither the Plan nor any Award shall confer upon any Employee or Consultant any right with respect to continuation of an employment or consulting relationship with the Company (any Parent, Subsidiary or Affiliate), nor shall it interfere in any way with such Employee's or Consultant's right or the Company's (Parent's, Subsidiary's or Affiliate's) right to terminate his or her employment or consulting relationship at any time, with or without cause.

6. **Term of Plan.** The Plan shall become effective upon its adoption by the Board and shall continue in effect for a term of 10 years unless sooner terminated under Section 13 below.

7. **Options.**

(a) **Term of Option.** The term of each Option shall be the term stated in the Option Agreement; provided that the term shall be no more than 10 years from the date of grant thereof or such shorter term as may be provided in the Option Agreement and provided further that, in the case of an Incentive Stock Option granted to a person who at the time of such grant is a Ten Percent Holder, the term of the Option shall be 5 years from the date of grant thereof or such shorter term as may be provided in the Option Agreement.

(b) **Option Exercise Price and Consideration.**

(i) **Exercise Price.** The per Share exercise price for the Shares to be issued pursuant to the exercise of an Option shall be such price as is determined by the Administrator and set forth in the Option Agreement, but shall be subject to the following:

(1) In the case of an Incentive Stock Option

- a. granted to an Employee who at the time of grant is a Ten Percent Holder, the per Share exercise price shall be no less than 110% of the Fair Market Value on the date of grant;
- b. granted to any other Employee, the per Share exercise price shall be no less than 100% of the Fair Market Value on the date of grant;

(2) Except as provided in subsection (3) below, in the case of a Nonstatutory Stock Option the per Share exercise price shall be such price as is determined by the Administrator, provided that, if the per Share exercise price is less than 100% of the Fair Market Value on the date of grant, it shall otherwise comply with all Applicable Laws, including Section 409A of the Code; and

(3) Notwithstanding the foregoing, Options may be granted with a per Share exercise price other than as required above pursuant to a merger or other corporate transaction.

(ii) **Permissible Consideration.** The consideration to be paid for the Shares to be issued upon exercise of an Option, including the method of payment, shall be determined by the Administrator (and, in the case of an Incentive Stock Option and to the extent required by Applicable Laws, shall be determined at the time of grant) and may consist entirely of (1) cash; (2) check; (3) to the extent permitted under, and in accordance with, Applicable Laws, delivery of a promissory note with such recourse, interest, security and redemption provisions as the Administrator determines to be appropriate (subject to the provisions of Section 152 of the Delaware General Corporation Law); (4) cancellation of indebtedness; (5) other previously owned Shares that have a Fair Market Value on the date of surrender equal to the aggregate exercise price of the Shares as to which the Option is exercised; (6) a Cashless Exercise; (7) such other consideration and method of payment permitted under Applicable Laws; or (8) any combination of the foregoing methods of payment. In making its determination as to the type of consideration to accept, the Administrator shall consider if acceptance of such consideration may be reasonably expected to benefit the Company and the Administrator may, in its sole discretion, refuse to accept a particular form of consideration at the time of any Option exercise.

(c) **Exercise of Option.**

(i) **General.**

(1) **Exercisability.** Any Option granted hereunder shall be exercisable at such times and under such conditions as determined by the Administrator, consistent with the terms of the Plan and reflected in the Option Agreement, including vesting requirements and/or performance criteria with respect to the Company, and Parent, Subsidiary or Affiliate, and/or the Optionee, provided that the exercise of any Option shall not be permitted unless the Administrator is satisfied at the relevant time that such exercise would not be a breach of any share dealing or other corporate governance code adopted by the Company from time to time.

(2) **Leave of Absence.** The Administrator shall have the discretion to determine whether and to what extent the vesting of Options shall be tolled during any leave of absence; provided, however, that in the absence of such determination, vesting of Options shall be tolled during any leave (unless otherwise required by Applicable Laws). Notwithstanding the foregoing, in the event of military leave, vesting shall toll during any unpaid portion of such leave, provided that, upon an Optionee's returning from military leave (under conditions that would entitle him or her to protection upon such return under the Uniform Services Employment and Reemployment Rights Act), he or she shall be given vesting credit with respect to Options to the same extent as would have applied had the Optionee continued to provide services to the Company (or any Parent, Subsidiary or Affiliate, if applicable) throughout the leave on the same terms as he or she was providing services immediately prior to such leave.

(3) **Minimum Exercise Requirements.** An Option may not be exercised for a fraction of a Share. The Administrator may require that an Option be exercised as to a minimum number of Shares, provided that such requirement shall not prevent an Optionee from exercising the full number of Shares as to which the Option is then exercisable.

(4) **Procedures for and Results of Exercise.** An Option shall be deemed exercised when written notice of such exercise has been received by the Company in accordance with the terms of the Option Agreement by the person entitled to exercise the Option and the Company has received full payment for the Shares with respect to which the Option is exercised and has paid, or made arrangements to satisfy, any applicable taxes, withholding, required deductions or other required payments in accordance with Section 9 below. The exercise of an Option shall result in a decrease in the number of Shares that thereafter may be available, both for purposes of the Plan and for sale under the Option, by the number of Shares as to which the Option is exercised.

(5) **Rights as Holder of Capital Stock.** Until the issuance of the Shares (as evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company), no right to vote or receive dividends or any other rights as a holder of capital stock (if any) shall exist with respect to the Optioned Stock, notwithstanding the exercise of the Option. No adjustment will be made for a dividend or other right for which the record date is prior to the date the share certificate is issued, except as provided in Section 11 below.

(ii) **Termination of Continuous Service Status.** The Administrator shall establish and set forth in the applicable Option Agreement the terms and conditions upon which an Option shall remain exercisable, if at all, following termination of an Optionee's Continuous Service Status, which provisions may be waived or modified by the Administrator at any time. To the extent that an Option Agreement does not specify the terms and conditions upon which an Option shall terminate upon termination of an Optionee's Continuous Service Status, the following provisions shall apply:

(1) **General Provisions.** If the Optionee (or other person entitled to exercise the Option) does not exercise the Option to the extent so entitled within the time specified below, the Option shall terminate and the Optioned Stock underlying the unexercised portion of the Option shall revert to the Plan. In no event may any Option be exercised after the expiration of the Option term as set forth in the Option Agreement (and subject to this Section 7).

(2) **Termination other than Upon Disability or Death or for Cause.** In the event of termination of an Optionee's Continuous Service Status other than under the circumstances set forth in the subsections (3) through (5) below, such Optionee may exercise any outstanding Option at any time within 3 months following such termination to the extent the Optionee is vested in the Optioned Stock on the date of such termination.

(3) **Disability of Optionee.** In the event of termination of an Optionee's Continuous Service Status as a result of his or her Disability, such Optionee may exercise any outstanding Option at any time within 12 months following such termination to the extent the Optionee is vested in the Optioned Stock on the date of such termination.

(4) **Death of Optionee.** In the event of the death of an Optionee during the period of Continuous Service Status since the date of grant of any outstanding Option, or within 3 months following termination of the Optionee's Continuous Service Status, the Option may be exercised by any beneficiaries designated in accordance with Section 15 below, or if there are no such beneficiaries, by the Optionee's estate, or by a person who acquired the right to exercise the Option by bequest or inheritance, at any time within 12 months following the date the Optionee's Continuous Service Status terminated, but only to the extent the Optionee is vested in the Optioned Stock on the date of such termination.

(5) **Termination for Cause.** In the event of termination of an Optionee's Continuous Service Status for Cause, any outstanding Option (including any vested portion thereof) held by such Optionee shall immediately terminate in its entirety upon first notification to the Optionee of termination of the Optionee's Continuous Service Status for Cause. If an Optionee's Continuous Service Status is suspended pending an investigation of whether the Optionee's Continuous Service Status will be terminated for Cause, all the Optionee's rights under any Option, including the right to exercise the Option, shall be suspended during the investigation period. Nothing in this Section 7(c)(ii)(5) shall in any way limit the Company's right to purchase unvested Shares issued upon exercise of an Option as set forth in the applicable Option Agreement.

(iii) **Buyout Provisions.** The Administrator may at any time offer to buy out for a payment in cash or Shares an Option previously granted under the Plan based on such terms and conditions as the Administrator shall establish and communicate to the Optionee at the time that such offer is made.

8. **Restricted Stock.**

(a) **Rights to Purchase.** When a right to purchase or receive Restricted Stock is granted under the Plan, the Company shall advise the recipient in writing of the terms, conditions and restrictions related to the offer, including the number of Shares that such person shall be entitled to purchase, the price to be paid, if any (which shall be as determined by the Administrator, subject to Applicable Laws, including any applicable securities laws), and the time within which such person must accept such offer. The permissible consideration for Restricted Stock shall be determined by the Administrator and shall be the same as is set forth in Section 7(b)(ii) above with respect to exercise of Options. Any restrictions on the grant and/or exercise of Options shall also apply to the right to purchase or receive Restricted Stock. The offer to purchase Shares shall be accepted by execution of a Restricted Stock Purchase Agreement in the form determined by the Administrator.

(b) **Repurchase Option.**

(i) **General.** Unless the Administrator determines otherwise, the Restricted Stock Purchase Agreement shall grant the Company a repurchase option exercisable upon the voluntary or involuntary termination of the Participant's Continuous Service Status for any reason (including death or Disability) at a purchase price for Shares equal to the original purchase price paid by the purchaser to the Company for such Shares and may be paid by cancellation of any indebtedness of the purchaser to the Company. The repurchase option shall lapse at such rate as the Administrator may determine.

(ii) **Leave of Absence.** The Administrator shall have the discretion to determine whether and to what extent the lapsing of Company repurchase rights shall be tolled during any leave of absence; provided, however, that in the absence of such determination, such lapsing shall be tolled during any leave (unless otherwise required by Applicable Laws). Notwithstanding the foregoing, in the event of military leave, the lapsing of Company repurchase rights shall toll during any unpaid portion of such leave, provided that, upon a Participant's returning from military leave (under conditions that would entitle him or her to protection upon such return under the Uniform Services Employment and Reemployment Rights Act), he or she shall be given vesting credit with respect to Shares purchased pursuant to the Restricted Stock Purchase Agreement to the same extent as would have applied had the Participant continued to provide services to the Company (or any Parent, Subsidiary or Affiliate, if applicable) throughout the leave on the same terms as he or she was providing services immediately prior to such leave.

(c) **Other Provisions.** The Restricted Stock Purchase Agreement shall contain such other terms, provisions and conditions not inconsistent with the Plan as may be determined by the Administrator in its sole discretion. In addition, the provisions of Restricted Stock Purchase Agreements need not be the same with respect to each Participant.

(d) **Rights as a Holder of Capital Stock.** Once the Restricted Stock is purchased, the Participant shall have the rights equivalent to those of a holder of capital stock, and shall be a record holder when his or her purchase and the issuance of the Shares is entered upon the records of the duly authorized transfer agent of the Company. No adjustment will be made for a dividend or other right for which the record date is prior to the date the Restricted Stock is purchased, except as provided in Section 11 below.

9. **Taxes.**

(a) As a condition of the grant, vesting and exercise of an Award, the Participant (or in the case of the Participant's death or a permitted transferee, the person holding or exercising the Award) shall make such arrangements as the Administrator may require for the satisfaction of any applicable U.S. federal, state, local or foreign tax, withholding, and any other required deductions or payments that may arise in connection with such Award. The Company shall not be required to issue any Shares under the Plan until such obligations are satisfied.

(b) The Administrator may, to the extent permitted under Applicable Laws, permit a Participant (or in the case of the Participant's death or a permitted transferee, the person holding or exercising the Award) to satisfy all or part of his or her tax, withholding, or any other required deductions or payments by Cashless Exercise or by surrendering Shares (either directly or by stock attestation) that he or she previously acquired; provided that, unless specifically permitted by the Company, any such Cashless Exercise must be an approved broker-assisted Cashless Exercise or the Shares withheld in the Cashless Exercise must be limited to avoid financial accounting charges under applicable accounting guidance and any such surrendered Shares must have been previously held for any minimum duration required to avoid financial accounting charges under applicable accounting guidance. Any payment of taxes by surrendering Shares to the Company may be subject to restrictions, including, but not limited to, any restrictions required by rules of the Securities and Exchange Commission.

10. **Non-Transferability of Awards.**

(a) **General.** Except as set forth in this Section 10, Awards may not be sold, pledged, assigned, hypothecated, transferred or disposed of in any manner other than by will or by the laws of descent or distribution. The designation of a beneficiary by a Participant will not constitute a transfer. An Option may be exercised, during the lifetime of the holder of the Option, only by such holder or a transferee permitted by this Section 10.

(b) **Limited Transferability Rights.** Notwithstanding anything else in this Section 10, the Administrator may in its sole discretion provide that any Nonstatutory Stock Options may be transferred by instrument to an inter vivos or testamentary trust in which the Options are to be passed to beneficiaries upon the death of the trustor (settlor) or by gift to Family Members. Further, beginning with (i) the period when the Company begins to rely on the exemption described in Rule 12h-1(f)(1) promulgated under the Exchange Act, as determined by the Board in its sole discretion, and (ii) ending on the earlier of (A) the date when the Company ceases to rely on such exemption, as determined by the Board in its sole discretion, or (B) the date when the Company becomes subject to the reporting requirements of Section 13 or 15(d) of the Exchange Act, (1) a Nonstatutory Stock Option, or prior to exercise, the Shares subject to a Nonstatutory Stock Option, may not be pledged, hypothecated or otherwise transferred or disposed of, in any manner, including by entering into any short position, any "put equivalent position" or any "call equivalent position" (as defined in Rule 16a-1(h) and Rule 16a-1(b) of the Exchange Act, respectively) and (2) an Incentive Stock Option may not be transferred or disposed of by will or the laws of descent or distribution, other than to (i) persons who are Family Members through gifts or domestic relations orders, or (ii) to an executor or guardian of the Participant upon the death or disability of the Participant. Notwithstanding the foregoing sentence, the Board, in its sole discretion, may permit transfers of Nonstatutory Stock Options to the Company or in connection with a Change in Control or other acquisition transactions involving the Company to the extent permitted by Rule 12h-1(f).

11. **Adjustments Upon Changes in Capitalization, Merger or Certain Other Transactions.**

(a) **Changes in Capitalization.** To the extent required under Applicable Laws, (i) the numbers and class of Shares or other shares or securities: (x) available for future Awards under Section 3 above and (y) covered by each outstanding Award, (ii) the exercise price per Share of each such outstanding Option, and (iii) any repurchase price per Share applicable to Shares issued pursuant to any Award, may be adjusted by the Administrator in the event of a shares split, reverse shares split, shares dividend, combination, consolidation, reclassification of the Shares or subdivision of the Shares. In the event of any increase or decrease in the number of issued Shares effected without receipt of consideration by the Company, a declaration of an extraordinary dividend with respect to the Shares payable in a form other than Shares in an amount that has a material effect on the Fair Market Value, a recapitalization (including a recapitalization through a large nonrecurring cash dividend), a rights offering, a reorganization, amalgamation, merger, spin-off, split-up, change in corporate structure or a similar occurrence, the Administrator may make appropriate adjustments, in its discretion, in one or more of (i) the numbers and class of Shares or other shares or securities: (x) available for future Awards under Section 3 above and (y) covered by each outstanding Award, (ii) the exercise price per Share of each outstanding Option and (iii) any repurchase price per Share applicable to Shares issued pursuant to any Award, and any such adjustment by the Administrator shall be made in the Administrator's sole and absolute discretion and shall be final, binding and conclusive. Except as expressly provided herein, no issuance by the Company of shares of stock of any class, or securities convertible into shares of stock of any class, shall affect, and no adjustment by reason thereof shall be made with respect to, the number or price of Shares subject to an Award. If, by reason of a transaction described in this Section 11(a) or an adjustment pursuant to this Section 11(a), a Participant's Award agreement or agreement related to any Optioned Stock or Restricted Stock covers additional or different shares or securities, then such additional or different classes of shares, and the Award agreement or agreement related to the Optioned Stock or Restricted Stock in respect thereof, shall be subject to all of the terms, conditions and restrictions which were applicable to the Award, Optioned Stock and Restricted Stock prior to such adjustment.

(b) **Dissolution or Liquidation.** In the event of the dissolution or liquidation of the Company, each Award will terminate immediately prior to the consummation of such action, unless otherwise determined by the Administrator.



(c) **Corporate Transactions.** In the event of (i) a transfer of all or substantially all of the Company's assets, (ii) a merger, amalgamation, consolidation or other capital reorganization or business combination transaction of the Company with or into another corporation, entity or person, or (iii) the consummation of a transaction, or series of related transactions, in which any "person" (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) becomes the "beneficial owner" (as defined in Rule 13d-3 of the Exchange Act), directly or indirectly, of more than 50% of the Company's then outstanding capital stock (a "Corporate Transaction"), each outstanding Award (vested or unvested) will be treated as the Administrator determines (subject to the last sentence of this paragraph), which determination may be made without the consent of any Participant and need not treat all outstanding Awards (or portion thereof) in an identical manner. Such determination, without the consent of any Participant, may provide (without limitation) for one or more of the following in the event of a Corporate Transaction: (A) the continuation of such outstanding Awards by the Company (if the Company is the surviving corporation); (B) the assumption of such outstanding Awards by the surviving corporation or its parent; (C) the substitution by the surviving corporation or its parent of new options or equity awards for such Awards; (D) the cancellation of such Awards and a payment to the Participants equal to the excess of (1) the Fair Market Value of the Shares subject to such Awards as of the closing date of such Corporate Transaction over (2) the exercise price or purchase price for the Shares to be issued pursuant to the exercise of such Awards (such payment shall be made in the form of cash, cash equivalents and/or securities of the surviving corporation or its parent with a Fair Market Value equal to the required amount; if the exercise price or purchase price per Share of the Shares to be issued pursuant to the exercise of such Awards exceeds the Fair Market Value per Share of such Shares, as of the closing date of the Corporate Transaction, then such Awards may be cancelled without making a payment to the Participants); or (E) the cancellation of any outstanding Options or an outstanding right to purchase Restricted Stock, in either case, for no consideration. Notwithstanding anything stated herein or in any other agreement to the contrary, whether such agreement was entered into before or after the date this Plan is effective, if any Award, or any agreement applicable to any Award, provides for accelerated vesting in connection with any termination of service that occurs on or after a Corporate Transaction, and the successor does not agree to assume the Award, or to substitute an equivalent award or right for the Award, then any acceleration of vesting that would otherwise occur upon such termination of service shall occur immediately prior to, and contingent upon, the consummation of such Corporate Transaction.

12. **Time of Granting Awards.** The date of grant of an Award shall, for all purposes, be the date on which the Administrator makes the determination granting such Award, or such other date as is determined by the Administrator, provided that the grant of an Award shall not be permitted unless the Administrator is satisfied at the relevant time that such grant would not be a breach of any share dealing or other corporate governance code adopted by the Company from time to time.

13. **Amendment and Termination of the Plan.** The Board may at any time amend or terminate the Plan, but no amendment or termination shall be made that would materially and adversely affect the rights of any Participant under any outstanding Award, without his or her consent. In addition, to the extent necessary and desirable to comply with Applicable Laws, the Company shall obtain the approval of holders of capital stock with respect to any Plan amendment in such a manner and to such a degree as required.

14. **Conditions Upon Issuance of Shares.** Notwithstanding any other provision of the Plan or any agreement entered into by the Company pursuant to the Plan, the Company shall not be obligated, and shall have no liability for failure, to issue or deliver any Shares under the Plan unless such issuance or delivery would comply with Applicable Laws, with such compliance determined by the Company in consultation with its legal counsel. As a condition to the exercise of any Option or purchase of any Restricted Stock, the Company may require the person exercising the Option or purchasing the Restricted Stock to represent and warrant at the time of any such exercise or purchase that the Shares are being purchased only for investment and without any present intention to sell or distribute such Shares if, in the opinion of counsel for the Company, such a representation is advisable or required by Applicable Laws. Shares issued upon exercise of Options or purchase of Restricted Stock prior to the date, if ever, on which the Common Stock becomes a Listed Security shall be subject to a right of first refusal in favor of the Company pursuant to which the Participant will be required to offer Shares to the Company before selling or transferring them to any third party on such terms and subject to such conditions as is reflected in the applicable Option Agreement or Restricted Stock Purchase Agreement.

15. **Beneficiaries.** If permitted by the Company, a Participant may designate one or more beneficiaries with respect to an Award by timely filing the prescribed form with the Company. A beneficiary designation may be changed by filing the prescribed form with the Company at any time before the Participant's death. Except as otherwise provided in an Award Agreement, if no beneficiary was designated or if no designated beneficiary survives the Participant, then after a Participant's death any vested Award(s) shall be transferred or distributed to the Participant's estate or to any person who has the right to acquire the Award by bequest or inheritance.

16. **Approval of Holders of Capital Stock.** If required by Applicable Laws, continuance of the Plan shall be subject to approval by the holders of capital stock of the Company within 12 months before or after the date the Plan is adopted or, to the extent required by Applicable Laws, any date the Plan is amended. Such approval shall be obtained in the manner and to the degree required under Applicable Laws.

17. **Addenda.** The Administrator may approve such addenda to the Plan as it may consider necessary or appropriate for the purpose of granting Awards to Employees or Consultants, which Awards may contain such terms and conditions as the Administrator deems necessary or appropriate to accommodate differences in local law, tax policy or custom, which may deviate from the terms and conditions set forth in this Plan. The terms of any such addenda shall supersede the terms of the Plan to the extent necessary to accommodate such differences but shall not otherwise affect the terms of the Plan as in effect for any other purpose.

18. **Information to Holders of Options.** In the event the Company is relying on the exemption provided by Rule 12h-1(f) under the Exchange Act, the Company shall provide the information described in Rule 701(e)(3), (4) and (5) of the Securities Act of 1933, as amended, to all holders of Options in accordance with the requirements thereunder until such time as the Company becomes subject to the reporting requirements of Section 13 or 15(d) of the Exchange Act. The Company may request that holders of Options agree to keep the information to be provided pursuant to this Section confidential. If the holder of Options does not agree to keep the information to be provided pursuant to this Section confidential, then the Company will not be required to provide the information unless otherwise required pursuant to Rule 12h-1(f)(1) of the Exchange Act.

**ADDENDUM A**

**2017 Stock Plan**

*(California Participants)*

Prior to the date, if ever, on which the Common Stock becomes a Listed Security and/or the Company is subject to the reporting requirements of the Exchange Act, the terms set forth herein shall apply to Awards issued to California Participants. All capitalized terms used herein but not otherwise defined shall have the respective meanings set forth in the Plan.

1. The following rules shall apply to any Option in the event of termination of the Participant's Continuous Service Status:

(a) If such termination was for reasons other than death, "Permanent Disability" (as defined below), or Cause, the Participant shall have at least 30 days after the date of such termination to exercise his or her Option to the extent the Participant is entitled to exercise on his or her termination date, provided that in no event shall the Option be exercisable after the expiration of the term as set forth in the Option Agreement.

(b) If such termination was due to death or Permanent Disability, the Participant shall have at least 6 months after the date of such termination to exercise his or her Option to the extent the Participant is entitled to exercise on his or her termination date, provided that in no event shall the Option be exercisable after the expiration of the term as set forth in the Option Agreement.

"Permanent Disability" for purposes of this Addendum shall mean the inability of the Participant, in the opinion of a qualified physician acceptable to the Company, to perform the major duties of the Participant's position with the Company or any Parent or Subsidiary because of the sickness or injury of the Participant.

2. Notwithstanding anything to the contrary in Section 11(a) of the Plan, the Administrator shall in any event make such adjustments as may be required by Section 25102(o) of the California Corporations Code.

3. Notwithstanding anything stated herein to the contrary, no Option shall be exercisable on or after the 10th anniversary of the date of grant and any Award agreement shall terminate on or before the 10th anniversary of the date of grant.

4. The Company shall furnish summary financial information (audited or unaudited) of the Company's financial condition and results of operations, consistent with the requirements of Applicable Laws, at least annually to each California Participant during the period such Participant has one or more Awards outstanding, and in the case of an individual who acquired Shares pursuant to the Plan, during the period such Participant owns such Shares; provided, however, the Company shall not be required to provide such information if (i) the issuance is limited to key persons whose duties in connection with the Company assure their access to equivalent information or (ii) the Plan or any agreement complies with all conditions of Rule 701 of the Securities Act of 1933, as amended; provided that for purposes of determining such compliance, any registered domestic partner shall be considered a "family member" as that term is defined in Rule 701.

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FORWARD MARCH LIMITED

DGS LIMITED

JEFFREY COX

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SHARE TRANSFER AND EXCHANGE AGREEMENT

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**PARTIES:**

- (1) **FORWARD MARCH LIMITED**, an exempted company organised and existing under the laws of Bermuda, with Company Registration No. 52347 and having its registered address at Crawford House, 50 Cedar Avenue, Hamilton, Bermuda HM 11 (“**FM**”),
  - (2) **DGS LIMITED** an exempted company organised and existing under the laws of Bermuda, with Company Registration No. 52345 and having its registered address at Crawford House, 50 Cedar Avenue, Hamilton, Bermuda HM 11 (“**DGS**”);
  - (3) **JEFFREY COX**, an individual with an address of 2572 Saddleback Ct, Castle Rock, CO, 80104-7542 USA (“**JC**”); and
- (each a “**Party**” and collectively, the “**Parties**”).

**BACKGROUND:**

- (A) JC is the holder of a total of 3,871,836 common shares with a par value of US\$0.001 per common share in DGS (the “**DGS Shares**”).
  - (B) Subject to any prior necessary corporate or regulatory approvals (including any prior no-objection or approval of the BMA), JC would like to effect a transfer to FM, and FM would like to accept all of the DGS Shares, in exchange for the issue and allotment by FM of 360,184 fully paid and non-assessable common shares in FM with a par value of US\$0.0001 per common share to JC, or his nominee (the “**FM Shares**”) (the “**Share Transfer and Exchange**”).
  - (C) The Parties are accordingly entering into this Agreement to set out the terms and conditions governing the Share Transfer and Exchange.
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**TERMS:**

The Parties agree as follows:

1. **DEFINITIONS AND INTERPRETATION**

1.1 **Definitions**

In this Agreement the following expressions shall have the following meanings:

“**Agreement**” means this share transfer and exchange agreement, including its schedules (if any);

“**BMA**” means the Bermuda Monetary Authority;

“**Companies Act**” means the Companies Act, 1981, as amended, of Bermuda;

“**Completion**” means the completion of the Share Transfer and Exchange;

“**Completion Date**” means on or by 30 June, 2017 or such other date as may be agreed between the Parties in writing;

“**DGS Shares**” has the meaning given to it in Recital (A);

“**Dispute**” has the meaning given to it in clause 7.9;

“**Encumbrance**” means any adverse claim or right or third party right or other right or interest, any equity, any option or right of pre-emption or right to acquire or right to restrict, any mortgage, charge, assignment, hypothecation, pledge, lien, encumbrance or security interest or arrangement of whatsoever nature, any reservation-of-title or any hire purchase, lease or instalment purchase agreement;

“**FM Shares**” Has the meaning given to it in Recital (B);

“**Proceedings**” has the meaning given to it in clause 7.10(a);

“**Share Transfer and Exchange**” has the meaning given to it in Recital (B);

1.2 **Interpretation**

In this Agreement, unless the context requires otherwise:

- (a) the section headings and captions to the clauses in this Agreement are inserted for convenience of reference only and shall not be considered a part of or affect the construction or interpretation of this Agreement;
- (b) a reference to a document is a reference to that document as from time to time supplemented or varied;
- (c) words importing the singular shall include the plural number and vice versa and words importing a gender shall include each gender;
- (d) words and phrases, the definitions of which are contained or referred to in the Companies Act shall be construed as having the meanings thereby attributed to them; and
- (e) any reference to any clause, sub-clause or paragraph, shall be a reference to the clause, sub-clause or paragraph, of this Agreement in which the reference occurs unless it is indicated that reference to some other provision is intended.

2. **SHARE TRANSFER AND EXCHANGE**

2.1 Subject to any prior necessary corporate or regulatory approvals (including any prior regulatory no-objection or approval of the BMA), JC agrees to effect the transfer of the DGS Shares to FM and FM agrees to acquire the DGS Shares in exchange for the issue and allotment of the FM Shares, as fully paid and non-assessable shares, by FM to JC, with effect from the Completion and free from any Encumbrances and with the benefit of all accrued rights and advantages attaching or belonging thereto.

3. **CONSIDERATION TO JC**

3.1 JC and FM agree that the issuance of the FM Shares shall be good and sufficient consideration for the transfer of the DGS Shares.

4. **COMPLETION**

4.1 **Timing**

Completion shall occur on the Completion Date. If Completion does not occur on or by the Completion Date, this Agreement and all obligations, consents, warranties, and covenants arising out of the Agreement shall be null and void unless otherwise agreed in writing by the parties.

5. **WARRANTIES AND COVENANTS**

5.1 **Warranties**

- (a) JC warrants and represents to the Parties that:
  - (i) he is the beneficial and legal owner of the DGS Shares and all such DGS Shares are free of all Encumbrances;
  - (ii) he has the legal right and full power and authority to execute and deliver, and to exercise his rights and perform his obligations under this Agreement, and further that this Agreement constitutes a valid, legally binding and enforceable obligation on him in accordance with its terms; and
  - (iii) this Agreement constitutes, and the documents, if any, referred to in this Agreement which are to be executed by him, when executed, will constitute, valid and binding agreements enforceable in accordance with their respective terms.
- (b) Each of DGS and FM respectively warrant and represent to COX that:
  - (i) each is a company duly incorporated and validly existing under the laws of its incorporation or, if applicable, continuation, and has the power to own its assets and carry on its business as it is being conducted;
  - (ii) each has the legal right and full power and authority to execute and deliver, and to exercise their rights and perform their obligations under this Agreement, and further that this Agreement constitutes a valid, legally binding and enforceable obligation on each of them in accordance with its terms; and
  - (iii) this Agreement constitutes, and the documents, if any, referred to in this Agreement which are to be executed by each of them, when executed, will constitute, valid and binding agreements enforceable in accordance with their respective terms.
- (c) FM warrants and represents to JC that upon Completion, FM's issued share capital will be as follows:
  - (A) 360,184 common shares issued to JC;
  - (B) 4,749,861 preferred shares issued to TRGI;



(C) 6,856,139 common shares issued to TRGI; and

(D) an additional 533,818 common shares shall be issued, or agreed to be issued, to other person(s).

(d) FM further warrants and represents to JC that, on or by the Completion Date (i) FM's Byelaws and a Certificate of Designation for the preferred shares shall be in the form as attached hereto as **Exhibit A** to this Agreement; and (ii) FM's Stock Option Plan shall be in the form attached hereto as **Exhibit B** to this Agreement.

## 5.2 Covenants

Each Party jointly and severally covenants with the other Parties that he or it shall, and shall procure, so far as is within his or its power of procurement, that all necessary third parties shall likewise, do, execute and perform all such further deeds, documents, assurances, acts and things as either of them, at or after Completion, may reasonably require to give effect to the terms of this Agreement.

## 6. ACKNOWLEDGEMENT

6.1 By signing this Agreement, each of DGS and FM undertakes:

- (a) to perform any action required to give effect to the provisions of this Agreement;
- (b) that any resolutions required to be taken by its shareholder or directors to effect Completion have been adopted (whether at a meeting or in writing);
- (c) to cancel such certificates as may be returned to it or declared lost as applicable;
- (d) to issue new certificates as applicable to reflect the Share Transfer and Exchange;
- (e) to update its registers (including its register of members) to reflect the positions following the Share Transfer and Exchange; and
- (f) to file all necessary statutory forms and documents with the BMA and all other authorities, if and as required, within the time limits prescribed by applicable law or regulation.

## 7. MISCELLANEOUS PROVISIONS

### 7.1 Assignment

No Party may assign its rights or obligations under this Agreement without the prior written consent of all the other Parties.

7.2 **Parties Bound**

This Agreement shall be binding upon and run for the benefit of the Parties, their successors and permitted assigns.

7.3 **Relationship of the Parties**

In this Agreement, nothing shall be deemed to:

- (a) constitute a partnership between the Parties or any of them; or
- (b) make any Party an agent for any other Party, for any purpose whatsoever.

7.4 **Entire Agreement**

This Agreement constitutes the entire agreement and understanding between the Parties with respect to its subject matter, and except as expressly provided, supersedes all prior representations, writings, negotiations or understandings, with respect to that subject matter, if any.

7.5 **Waivers**

A failure to exercise or delay in exercising a right or remedy provided by this Agreement or by law does not constitute a waiver of the right or remedy or a waiver of other rights or remedies. No single or partial exercise of a right or remedy provided by this Agreement or by law prevents further exercise of the right or remedy or the exercise of another right or remedy.

7.6 **Variations**

No variation of this Agreement shall be effective unless it is made in writing and signed by each of the Parties.

7.7 **Counterparts**

This Agreement may be executed in any number of counterparts, each of which when so executed shall be deemed to be an original and all of which when taken together shall constitute this Agreement.

7.8 **Further Assurance**

Each Party shall do and execute, or arrange for the doing and executing of, each necessary act, document and thing reasonably within its power to implement this Agreement.

7.9 **Governing Law**

This Agreement and any dispute arising out of or in connection with it or its subject matter or formation (including non-contractual disputes or claims) ("**Dispute**") shall be governed by and construed in accordance with the laws of Bermuda.

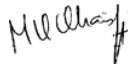
7.10 **Jurisdiction**

- (a) Each of the Parties to this Agreement irrevocably agrees that the courts of Bermuda are to have exclusive jurisdiction to settle any Dispute and, for such purposes, irrevocably submits to the exclusive jurisdiction of such courts. Any proceeding, suit or action arising out of or in connection with this Agreement (the "**Proceedings**") shall therefore be brought in the courts of Bermuda.
- (b) Each of the Parties to this Agreement irrevocably waives any objection to Proceedings in the courts referred to in clause 7.10(a) on the grounds of venue or on the grounds of forum *non conveniens*.

[SIGNATURE PAGE TO FOLLOW]

For and on behalf of:

**THE RESOURCE GROUP INTERNATIONAL LIMITED**



Signature  
Name: Mohammed Khaishgi  
Director/Authorised Signatory

For and on behalf of:

**DIGITAL GLOBE SERVICES, LTD.**

Signed by 

Signature  
Name: Mohammed Khaishgi  
Director/Authorised Signatory

For and on behalf of:

Signed by 

**MR. JEFFREY COX**, in the presence of:

Signature of witness:



Name: Pat Costello  
Address: 1700 Pennsylvania Ave, Suite 560  
Washington DC 20006  
Occupation: Lawyer

For and on behalf of:

**DGS LIMITED**



Signature  
Name: Zia Chishti  
Director/Authorised Signatory



**BYE-LAWS**

**OF**

**Forward March Limited**

CERTIFIED that the within-written bye-laws are a true copy of the bye-laws of Compass Administration Services Ltd (the "Company") as approved and adopted as the bye-laws of the Company (the "Bye-Laws") by written resolution constituting the statutory general meeting of the sole member of the Company dated and effective on 3 March 2017.



---

Duly Authorised  
For and on behalf of  
Compass Administration Services Ltd.  
Secretary



**Prepared by**

***ASW Law Limited  
Barristers & Attorneys  
Crawford House  
50 Cedar Avenue  
Hamilton, HM 11  
Bermuda***

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## INTERPRETATION

### 1. Definitions and Interpretation

1.1 In these Bye-laws, the following words and expressions shall, where not inconsistent with the context, have the following respective meanings:

"Alternate Director"	an alternate director appointed in accordance with these Bye-laws;
"Auditor"	includes any individual auditor or partnership of auditors;
"Board"	the board of directors of the Company appointed or elected pursuant to these Bye-laws and acting by resolution in accordance with the Companies Act and these Bye-laws or the directors present at a meeting of directors at which there is a quorum;
"Bye-laws"	means these Bye-laws in their present form or as from time to time amended;
"Companies Act"	the Companies Act 1981, as amended from time to time;
"Company"	the company incorporated in Bermuda under the name of Forward March Limited on 28 February 2017;
"Director"	any person duly elected or appointed as a director of the Company and shall include an Alternate Director or any person occupying the position of director by whatever name called;
"Further Financing"	any form of debt or equity financing of the Company including by way of an issue of shares, options, warrants or other convertible instruments or securities;
"Member"	the person registered in the Register of Members as the holder of shares in the Company and, when two or more persons are so registered as joint holders of shares, means the person whose name stands first in the Register of Members as one of such joint holders or all of such persons, as the context so requires;
"Memorandum"	means the Memorandum of Association of the Company, as from time to time amended;
"notice"	written notice as further provided in these Bye-laws unless otherwise specifically stated;

"Officer"	any person appointed by the Board to hold an office in the Company;
"Register of Directors Officers"	the register of directors and officers referred to in and these Bye-laws;
"Register of Members"	the register of members referred to in these Bye-laws;
"Registered Office"	the registered office for the time being of the Company;
"Resident Representative"	any person appointed to act as resident representative of the Company and includes any deputy or assistant resident representative;
"Secretary"	the person appointed to perform any or all of the duties of secretary of the Company and includes any deputy or assistant secretary and any person appointed by the Board to perform any of the duties of the Secretary;
"share"	means a share in the capital of the Company and includes a fraction of a share; and
"Treasury Share"	a share of the Company that was or is treated as having been acquired and held by the Company and has been held continuously by the Company since it was so acquired and has not been cancelled.

In these Bye-laws, where not inconsistent with the context:

- (a) words denoting the plural number include the singular number and vice versa;
- (b) words denoting the masculine gender include the feminine and neuter genders;
- (c) words importing persons include companies, associations or bodies of persons whether corporate or not;
- (d) the words:
  - (i) "may" shall be construed as permissive; and
  - (ii) "shall" shall be construed as imperative; and
- (e) unless otherwise provided in these Bye-laws, words or expressions defined in the Companies Act shall bear the same meaning in these Bye-laws.

- 1.3 In these Bye-laws expressions referring to writing or its cognates shall, unless the contrary intention appears, include facsimile, printing, lithography, photography, electronic mail and other modes of representing words in visible form.
- 1.4 Headings used in these Bye-laws are for convenience only and are not to be used or relied upon in the construction hereof.

## SHARES

### 2. Power to Issue Shares

- 2.1 Subject to these Bye-laws and to any resolution of the Members to the contrary, and without prejudice to any special rights previously conferred on the holders of any existing shares or class of shares, the Board shall have the power to issue any unissued shares on such terms and conditions as it may determine and any shares or class of shares may be issued with such preferred, deferred or other special rights or such restrictions, whether in regard to dividend, voting, return of capital, or otherwise as the Company may by resolution of the Members prescribe.
- 2.2 Subject to the provisions of these provisions of these Bye-laws and any limitations prescribed by law, and without prejudice to any special rights previously conferred on the holders of any existing class or series of shares, any class or series of shares may be issued with such preferred or other special rights as the Board may determine (including such preferred or other special rights or restrictions with respect to dividend, voting, liquidation or other rights of the shares as may be determined by the Board). The Board may establish from time to time the number of shares to be included in each such class or series, which number may be increased (except as otherwise provided by the Board in creating such class or series) or decreased (but not below the number of shares thereof then in issue) from time to time by resolution of the Board, and to fix the designation, powers, preferences, redemption provisions restrictions and rights to such class or series and the qualifications, limitations or restrictions thereof. The terms of any class or series of shares shall be set forth in a Certificate of Designation in the minutes of the Board authorising the issuance of such shares but shall not form part of these Bye-laws, and may be examined by any Member on request.
- 2.3 Without limiting the foregoing and subject to the Companies Act, the Company may issue preference shares which (i) are liable to be redeemed on the happening of a specified event or events or on a given date or dates and/or (ii) are liable to be redeemed at the option of the Company and/or the holder. The terms and manner of redemption of any redeemable shares shall be as the Board may by resolution determine before the allotment of such shares and the terms and manner of redemption of any other redeemable preference shares shall be either (i) as the Company may by resolution determine or (ii) insofar as the Board is so authorised by any resolution, as the Board may by resolution determine, in either case, before the allotment of such shares.

**3. Power of the Company to Purchase its Shares**

- 3.1 The Company may purchase its own shares for cancellation or to acquire them as Treasury Shares in accordance with the Companies Act on such terms as the Board shall think fit. No such purchase shall be made if there are reasonable grounds for believing that the Company is, or after the purchase would be, unable to pay its liabilities as they become due.
- 3.2 The Board may exercise all the powers of the Company to purchase or acquire all or any part of its own shares in accordance with the Companies Act.
- 3.3 Shares so purchased by the Company under this Bye-law shall be treated as cancelled and the amount of the Company's issued capital shall be reduced by the nominal value of those shares accordingly but the purchase of shares under this Bye-law shall not be taken as reducing the amount of the Company's authorised share capital.

**4. Rights Attaching to Shares**

- 4.1 Subject to any resolution of the Members to the contrary (and without prejudice to any special rights conferred thereby on the holders of any other shares or class of shares), the share capital shall be divided into shares of a single class the holders of which shall, subject to these Bye-laws;
- (a) be entitled to one vote per share;
  - (b) be entitled to such dividends as the Board may from time to time declare;
  - (c) in the event of a winding-up or dissolution of the Company, whether voluntary or involuntary or for the purpose of a reorganisation or otherwise or upon any distribution of capital, be entitled to the surplus assets of the Company; and
  - (d) generally be entitled to enjoy all of the rights attaching to shares.
- 4.2 All the rights attaching to a Treasury Share shall be suspended and shall not be exercised by the Company while it holds such Treasury Share and, except where required by the Companies Act, all Treasury Shares shall be excluded from the calculation of any percentage or fraction of the share capital, or shares, of the Company.
- 4.3 At the discretion of the Board, whether or not in connection with the issuance and sale of any shares or other securities of the Company, the Company may issue securities, contracts, warrants or other instruments evidencing any shares, option rights, securities having conversion or option rights, or obligations on such terms, conditions and other provisions as are fixed by the Board including, without limiting the generality of this authority, conditions that preclude or limit any person or persons owning or offering to acquire a specified number or percentage of the issued common shares, other shares, option rights, securities having conversion or option rights, or obligations of the Company or transferee of the person or persons from exercising, converting, transferring or receiving the shares, option rights, securities having conversion or option rights, or obligations.

**5. Calls on Shares**

The Board may make such calls as it thinks fit upon the Members in respect of any moneys (whether in respect of nominal value or premium) unpaid on the shares allotted to or held by such Members and, if a call is not paid on or before the day appointed for payment thereof, the Member may at the discretion of the Board be liable to pay the Company interest on the amount of such call at such rate as the Board may determine, from the date when such call was payable up to the actual date of payment. The Board may differentiate between the holders as to the amount of calls to be paid and the times of payment of such calls.

The joint holders of a share shall be jointly and severally liable to pay all calls and any interest, costs and expenses in respect thereof.

The Company may accept from any Member the whole or a part of the amount remaining unpaid on any shares held by him, although no part of that amount has been called up.

**6. Forfeiture of Shares**

- 6.1 If any Member fails to pay, on the day appointed for payment thereof, any call in respect of any share allotted to or held by such Member, the Board may, at any time thereafter during such time as the call remains unpaid, direct the Secretary to forward such Member a notice in writing in the form set out at Schedule "A", or as near to such form as circumstances admit.
- 6.2 If the requirements of such notice are not complied with, any such share may at any time thereafter before the payment of such call and the interest due in respect thereof be forfeited by a resolution of the Board to that effect, and such share shall thereupon become the property of the Company and may be disposed of as the Board shall determine. Without limiting the generality of the foregoing, the disposal may take place by sale, repurchase, redemption or any other method of disposal permitted by and consistent with these Bye-laws and the Companies Act.
- 6.3 A Member whose share or shares have been so forfeited shall, notwithstanding such forfeiture, be liable to pay to the Company all calls owing on such share or shares at the time of the forfeiture, together with all interest due on such share or shares and any costs and expenses incurred by the Company in connection with such share or shares.
- 6.4 The Board may accept the surrender of any shares which it is in a position to forfeit on such terms and conditions as may be agreed. Subject to those terms and conditions, a surrendered share shall be treated as if it had been forfeited.

**7. Share Certificates**

- 7.1 Every Member shall be entitled to a certificate under the common seal of the Company or bearing the signature (or a facsimile thereof) of a Director or the Secretary or a person expressly authorised to sign specifying the number and, where appropriate, the class of shares held by such Member and whether the same are fully paid up and, if not, specifying the amount paid on such shares. The Board may by resolution determine, either generally or in a particular case, that any or all signatures on certificates may be printed thereon or affixed by mechanical means.
- 7.2 The Company shall be under no obligation to complete and deliver a share certificate unless specifically called upon to do so by the person to whom the shares have been allotted.
- 7.3 If any share certificate shall be proved to the satisfaction of the Board to have been worn out, lost, mislaid, or destroyed the Board may cause a new certificate to be issued and request indemnity for the lost certificate if it sees fit.

**8. Fractional Shares**

The Company may issue its shares in fractional denominations and deal with such fractions to the same extent as its whole shares and shares in fractional denominations shall have in proportion to the respective fractions represented thereby all of the rights of whole shares including (but without limiting the generality of the foregoing) the right to vote, to receive dividends and distributions and to participate in a winding-up.

**REGISTRATION OF SHARES**

**9. Register of Members**

- 9.1 The Board shall cause to be kept in one or more books a Register of Members and shall enter in such Register of Members the particulars required by the Companies Act.
- 9.2 The Register of Members shall be open to inspection without charge at the registered office of the Company on every business day, subject to such reasonable restrictions as the Board may impose, so that not less than two hours in each business day be allowed for inspection. The Register of Members may, after notice has been given in accordance with the Companies Act, be closed for any time or times not exceeding in the whole thirty days in each year.

**10. Registered Holder Absolute Owner**

The Company shall be entitled to treat the registered holder of any share as the absolute owner thereof and accordingly shall not be bound to recognise any equitable claim or other claim to, or interest in, such share on the part of any other person.

**11. Transfer of Registered shares**

- 11.1 An instrument of transfer shall be in writing in the form set out at Schedule "B", or as near to such form as circumstances admit, or in such other form as the Board may accept.



- 11.2 Such instrument of transfer shall be signed by or on behalf of the transferor and transferee, provided that, in the case of a fully paid share, the Board may accept the instrument signed by or on behalf of the transferor alone. The transferor shall be deemed to remain the holder of such share until the same has been registered as having been transferred to the transferee in the Register of Members.
- 11.3 The Board may refuse to recognise any instrument of transfer unless it is accompanied by the certificate in respect of the shares to which it relates and by such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer.
- 11.4 The joint holders of any share may transfer such share to one or more of such joint holders, and the surviving holder or holders of any share previously held by them jointly with a deceased Member may transfer any such share to the executors or administrators of such deceased Member.
- 11.5 The Board may in its absolute discretion and without assigning any reason therefor refuse to register the transfer of a share. The Board shall refuse to register a transfer unless all applicable consents, authorisations and permissions of any governmental body or agency in Bermuda have been obtained. If the Board refuses to register a transfer of any share the Secretary shall, within three months after the date on which the transfer was lodged with the Company, send to the transferor and transferee notice of the refusal.

**12. Transmission of Registered Shares**

- 12.1 In the case of the death of a Member, the survivor or survivors where the deceased Member was a joint holder, and the legal personal representatives of the deceased Member where the deceased Member was a sole holder, shall be the only persons recognised by the Company as having any title to the deceased Member's interest in the shares. Nothing herein contained shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by such deceased Member with other persons. Subject to the Companies Act, for the purpose of this Bye-law, legal personal representative means the executor or administrator of a deceased Member of such other person as the Board may, in its absolute discretion, decide as being properly authorised to deal with the shares of a deceased Member.
- 12.2 Any person becoming entitled to a share in consequence of the death or bankruptcy of any Member or otherwise by operation of law may be registered as a Member upon such evidence as the Board may deem sufficient or may elect to nominate some person to be registered as a transferee of such share, and in such case the person becoming entitled shall execute in favour of such nominee an instrument of transfer in writing in the form set out at Schedule "C" or as near to such form as circumstances admit.
- 12.3 On the presentation of the foregoing materials to the Board, accompanied by such evidence as the Board may require to prove the title of the transferor, the transferee shall be registered as a Member. Notwithstanding the foregoing, the Board shall, in any case, have the same right to decline or suspend registration as it would have had in the case if a transferor of the share by that Member before such Member's death or bankruptcy, as the case may be.

12.4 Where two or more persons are registered as joint holders of a share or shares, then in the event of the death of any joint holder or holders the remaining joint holder or holders shall be absolutely entitled to such share or shares and the Company shall recognise no claim in respect of the estate of any joint holder except in the case of the last survivor of such joint holders.

#### ALTERATION OF SHARE CAPITAL

#### 13. Power to Alter capital

13.1 The Company may if authorised by resolution of the Members increase, divide, consolidate, subdivide, change the currency denomination of, diminish or otherwise alter or reduce its share capital in any manner permitted by the Companies Act.

13.2 Where, on any alteration or reduction of share capital, fractions of shares or some other difficulty would arise, the Board may deal with or resolve the same in such manner as it thinks fit.

#### 14. Variation of Rights Attaching to Shares

If, at any time, the share capital is divided into different classes of shares, the rights attached to any class may, whether or not the Company is being wound-up, be varied with:

- (a) the approval of the Board; or
- (b) the consent of a majority of the Members voting as a single class, with the holders of preference shares being entitled to vote on the basis that their preference shares had converted to common shares in accordance with these Bye-Laws,

and shall not require a separate consent of the holders of the Shares whose rights are varied, unless such variation would result in an adverse variation of the rights, preferences, privileges, powers, or restrictions of any class of shares and is made for a purpose other than in connection with a Further Financing, in which case such variation will require the consent in writing of the holders of not less than three-fourths of the issued shares of each class to be varied or with the sanction of a resolution passed by a majority of the votes cast at a separate general meeting of the holders of the shares of each class to be varied, at which meeting the necessary quorum shall be one person at least holding or representing by proxy one-third of the issued shares of the class to be varied. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith.

**15. Annual General Meetings**

Unless the Members elect otherwise by resolution at a general meeting, the annual general meeting shall be held in each year (other than the year of incorporation) at such time and place as the President or the Chairman (if any) or any two Directors or any Director and the Secretary or the Board shall appoint.

**16. Special General Meetings**

The President or the Chairman (if any) or any two Directors or any Director and the Secretary or the Board may convene a special general meeting whenever in their Judgment such a meeting is necessary.

**17. Requisitioned General Meetings**

The Board shall, on the requisition of Members holding at the date of the deposit of the requisition not less than one-tenth of such of the paid-up share capital of the Company as at the date of the deposit carries the right to vote at general meetings, forthwith proceed to convene a special general meeting and the provisions of the Companies Act shall apply.

**18. Notice**

18.1 At least five days' notice of an annual general meeting shall be given to each Member entitled to attend and vote at such meeting, stating the date, place and time at which the meeting is to be held, that the election of Directors will take place thereat, and as far as practicable, the other business to be conducted at the meeting.

18.2 At least five days' notice of a special general meeting shall be given to each Member entitled to attend and vote at such meeting, stating the date, time, place and the general nature of the business to be considered at the meeting.

18.3 The Board may fix any date as the record date for determining the Members entitled to receive notice of and to vote at any general meeting.

18.4 A general meeting shall, notwithstanding that it is called on shorter notice than that specified in these Bye-laws, be deemed to have been properly called if it is so agreed by (i) all the Members entitled to attend and vote thereat in the case of an annual general meeting; and (ii) by a majority in number of the Members having the right to attend and vote at the meeting, being a majority together holding not less than 95% in nominal value of the shares giving a right to attend and vote at such meeting in the case of a special general meeting.

18.5 The accidental omission to give notice of a general meeting to, or the non-receipt of a notice of a general meeting by, any person entitled to receive notice shall not invalidate the proceedings at that meeting.

**19. Giving Notice and Access**

19.1 A notice may be given by the Company to a Member:

- (a) by delivering it to such Member in person; or
- (b) by sending it by letter mail or courier to such Member's address in the Register of Members; or
- (c) by transmitting it by electronic means (including facsimile and electronic mail, but not telephone) in accordance with such directions as may be given by such Member to that Company for such purpose; or
- (d) in accordance with Bye-law 19.4.

19.2 Any notice required to be given to a Member shall, with respect to any shares held jointly by two or more persons, be given to whichever of such persons is named first in the Register of Members and notice so given shall be sufficient notice to all the holders of such shares.

19.3 Any notice (save for one delivered in accordance with Bye-law 19.4) shall be deemed to have been served at the time when the same would be delivered in the ordinary course of transmission and, in providing such service, it shall be sufficient to prove that the notice was properly addressed and prepaid, if posted, and the time when it was posted, delivered to the courier or transmitted by electronic means.

19.4 Where a Member Indicates his consent (in a form and manner satisfactory to the Board) to receive information or documents by accessing them on a website rather than by other means, the Board may deliver such information or documents by notifying the Member of their availability and including therein the address of the website, the place on the website where the information or document may be found, and instructions as to how the information or document may be accessed on the website.

19.5 In the case of information or documents delivered in accordance with Bye-law 19.4, service shall be deemed to have occurred when (i) the Member is notified in accordance with that Bye-law; and (ii) the information or document is published on the website.

**20. Postponement of General Meeting**

The Secretary may postpone any general meeting called in accordance with these Bye-laws if such postponement is given to the Members before the time of such meeting. Fresh notice of the date, time and place for the postponed meeting shall be given to each Member in accordance with these Bye-laws.

**21. Telephonic or Electronic Participation In Meetings**

Members may participate in any general meeting by telephonic or such other electronic means as permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously, and participation in such a meeting shall constitute presence in person at such meeting.

**22. Quorum at General Meetings**

- 22.1 At any general meeting one or more Members present in person or by proxy and representing in excess of a majority of the total issued voting shares in the Company throughout the meeting shall form a quorum for the transaction of business.
- 22.2 If within thirty minutes from the time appointed for the meeting a quorum is not present, then, in the case of a meeting convened on a requisition, the meeting shall be deemed cancelled and, in any other case, the meeting shall stand adjourned to the same day one week later, at the same time and place or to such other day, time or place as the Secretary may determine. Unless the meeting is adjourned to a specific date, time and place announced at the meeting being adjourned, fresh notice of the resumption of the meeting shall be given to each Member entitled to attend and vote at such meeting in accordance with these Bye-laws.

**23. Chairman to Preside at General Meetings**

Unless otherwise agreed by a majority of those attending and entitled to vote thereat, the Chairman, if there be one, and if not the President, if there be one, shall act as chairman at all general meetings at which such person is present in their absence a chairman shall be appointed or elected by those present at the meeting and entitled to vote.

**24. Voting on Resolutions**

- 24.1 Subject to the Companies Act and these Bye-laws, any question proposed for the consideration of the Members at any general meeting shall be decided by the affirmative votes of a majority of the votes cast in accordance with these Bye-laws and in the case of an equality of votes the chairman of such meeting shall be entitled to a casting vote.
- 24.2 No member shall be entitled to vote at a general meeting unless such Member has paid all the calls on all shares held by such Member.
- 24.3 At any general meeting a resolution put to the vote of the meeting shall, in the first instance, be voted upon by a show of hands and, subject to any rights or restrictions for the time being lawfully attached to any class of shares and subject to these Bye-laws, every Member present in person and every person holding a valid proxy at such meeting shall be entitled to one vote and shall cast such vote by raising his hand.
- 24.4 In the event that a Member participates in a general meeting by telephone or electronic means, the chairman of the meeting shall direct the manner in which such Member may cast his vote on a show of hands.
- 24.5 At any general meeting if an amendment is proposed to any resolution under consideration and the chairman of the meeting rules on whether or not the proposed amendment is out of order, the proceedings on the substantive resolution shall not be invalidated by any error in such ruling.

24.6 At any general meeting a declaration by the chairman of the meeting that a question proposed for consideration has, on a show of hands, been carried, or carried unanimously, or by a particular majority, or lost, and an entry to that effect in a book containing the minutes of the proceedings of the Company shall, subject to these Bye-laws, be conclusive evidence of that fact.

**25. Power to Demand a Vote on a Poll**

25.1 Notwithstanding the foregoing, a poll may be demanded by any of the following persons:

- (a) the chairman of the meeting; or
- (b) at least three Members present in person or represented by proxy; or
- (c) any Member or Members present in person or represented by proxy and holding between them not less than one-tenth of the total voting rights of all the Members having the right to vote at such meeting; or
- (d) any Member or Members present in person or represented by proxy holding shares in the Company conferring the right to vote at such meeting, being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total amount paid up on all such shares conferring such right.

25.2 Where a poll is demanded, subject to any rights or restrictions for the time being lawfully attached to any class of shares, every person present at such meeting shall have one vote for each share of which such person is the holder or for which such person holds a proxy and such vote shall be counted by ballot as described herein, or in the case of a general meeting at which one or more Members are present by telephone or electronic means, in such manner as the chairman of the meeting may direct and the result of such poll shall be deemed to be the resolution of the meeting at which the poll was demanded and shall replace any previous resolution upon the same matter which has been the subject of a show of hands. A person entitled to more than one vote need not use all his votes or cast all the votes he uses in the same way.

25.3 A poll demanded for the purpose of electing a chairman of the meeting or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken at such time and in such manner during such meeting as the chairman (or acting chairman) of the meeting may direct. Any business other than that upon which a poll has been demanded may be conducted pending the taking of the poll.

25.4 Where a vote is taken by poll, each person physically present and entitled to vote shall be furnished with a ballot paper on which such person shall record his vote in such manner as shall be determined at the meeting having regard to the nature of the question on which the vote is taken, and each ballot paper shall be signed or initialled or otherwise marked so as to identify the voter and the registered holder in the case of a proxy. Each person present by telephone or electronic means shall cast his vote in such manner as the chairman shall direct. At the conclusion of the poll, the ballot papers and votes cast in accordance with such directions shall be examined and counted by a committee of not less than two Members or proxy holders appointed by the chairman for the purpose and the result of the poll shall be declared by the chairman.

**26. Voting by Joint Holders of Shares**

In the case of joint holders, the vote of the senior who tenders a vote (whether in person or by proxy) shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the Register of Members.

**27. Instrument of Proxy**

27.1 An instrument appointing a proxy shall be in writing in substantially the form set out at Schedule "D" or such other form as the chairman of the meeting shall accept. The instrument of proxy shall be deemed to confer authority to demand or join in demanding a poll, be heard at the meeting and to vote on any amendment of a written resolution or amendment of a resolution put to the meeting for which it is given as the proxy thinks fit. The instrument of proxy shall, unless it otherwise provides, be valid as well for any adjournment of the meeting to which it relates.

27.2 The instrument appointing a proxy must be received by the Company at the Registered Office or at such other place or in such manner as is specified in the notice convening the meeting or in any instrument of proxy sent out by the Company in relation to the meeting at which the person named in the instrument appointing a proxy proposes to vote, and an instrument appointing a proxy which is not received in the manner so prescribed shall be invalid.

27.3 A Member who is the holder of two or more shares may appoint more than one proxy to represent him and vote on his behalf in respect of different shares.

27.4 The decision of the chairman of any general meeting as to the validity of any appointment of a proxy shall be final.

**28. Representation of Corporate Member**

28.1 A corporation which is a Member may, by written instrument, authorise such person or persons as it thinks fit to act as its representative at any meeting and any person so authorised shall be entitled to exercise the same powers on behalf of the corporation which such person represents as that corporation could exercise if it were an individual Member, and that Member shall be deemed to be present in person at any such meeting attended by its authorised representative or representatives.

28.2 Notwithstanding Bye-law 28.1, the chairman of the meeting may accept such assurances as he thinks fit as to the right of any person to attend and vote at general meetings on behalf of a corporation which is a Member.

**29. Adjournment of General Meeting**

The chairman of a general meeting may, with the consent of the Members at any general meeting at which a quorum is present, and shall if so directed by the meeting, adjourn the meeting. Unless the meeting is adjourned to a specific date, place and time announced at the meeting being adjourned, fresh notice of the date, place and time for the resumption of the adjourned meeting shall be given to each Member entitled to attend and vote at such meeting in accordance with these Bye-laws.

**30. Written Resolutions**

30.1 Subject to these Bye-laws, anything which may be done by resolution of the Company in general meeting or by resolution of a meeting of any class of the Members may, without a meeting may be done by written resolution in accordance with this Bye-law.

30.2 Notice of a written resolution shall be given, and a copy of the resolution shall be circulated to all Members who would be entitled to attend a meeting and vote thereon. The accidental omission to give notice to, or the non-receipt of a notice by, any Member does not invalidate the passing of a resolution.

30.3 A written resolution is passed when it is signed by, or in the case of a Member that is a corporation, on behalf of, the Members who at the date that the notice is given represent such majority of votes as would be required if the resolution was voted on at a meeting of Members at which all Members entitled to attend and vote thereat were present and voting.

30.4 A resolution in writing may be signed in any number of counterparts.

30.5 A resolution in writing made in accordance with this Bye-law is as valid as if it had been passed by the Company in general meeting or by a meeting of the relevant class of Members, as the case may be, and any reference in any Bye-law to a meeting at which a resolution is passed or to Members voting in favour of a resolution shall be construed accordingly.

30.6 A resolution in writing made in accordance with this Bye-law shall constitute minutes for the purposes of the Companies Act.

30.7 This Bye-law shall not apply to:

- (a) a resolution passed to remove an Auditor from office before the expiration of his term of office; or
- (b) a resolution passed for the purpose of removing a Director before the expiration of his term of office.



30.8 For the purposes of this Bye-law, the effective date of the resolution is the date when the resolution is signed by, or in the case of a Member that is a corporation whether or not a company within the meaning of the Companies Act, on behalf of, the last Member whose signature results in the necessary voting majority being achieved and any reference in any Bye-law to the date of passing of a resolution is, in relation to a resolution made in accordance with this Bye-law, a reference to such date.

### **31. Directors Attendance at General Meetings**

The Directors shall be entitled to receive notice of, attend and be heard at any general meeting.

## **DIVIDENDS AND CAPITALISATION**

### **32. Dividends**

32.1 The Board may, subject to these Bye-laws and in accordance with the Companies Act, declare a dividend to be paid to the Members, in proportion to the number of shares held by them, and such dividend may be paid in cash or wholly or partly in specie in which case the Board may fix the value for distribution in specie of any assets. No unpaid dividend shall bear interest as against the Company.

32.2 The Board may fix any date as the record date for determining the Members entitled to receive any dividend.

32.3 The Company may pay dividends in proportion to the amount paid up on each share where a larger amount is paid up on some shares than on others.

32.4 The Board may declare and make such other distributions (in cash or in specie) to the Members as may be lawfully made out of assets of the Company. No unpaid distribution shall bear interest as against the Company.

### **33. Power to Set Aside Profits**

The Board may, before declaring a dividend, set aside out of the surplus or profits of the Company, such amount as it thinks proper as a reserve to be used to meet contingencies or for equalising dividends or for any other purpose.

### **34. Method of Payment**

34.1 Any dividend, interest, or other moneys payable in cash in respect of the shares may be paid by cheque or draft sent through the post directed to the Member at such Member's address in the Register of Members, or to such person and to such address as the holder may in writing direct.

34.2 In the case of joint holders, any dividend, interest or other moneys payable in cash in respect of shares may be paid by cheque or draft sent through the post directed to the address of the holder first named in the Register of Members, or to such person and to such address as the joint holders may in writing direct. If two or more persons are registered as joint holders of any shares any one can give an effectual receipt for any dividend paid in respect of such shares.

34.3 The Board may deduct from the dividends or distributions payable to any Member all moneys due from such Member to the Company on account of calls or otherwise.

**35. Capitalisation**

35.1 The Board may capitalise any amount for the time being standing to the credit of any of the Company's share premium or reserve accounts or to the credit of the profit and loss account or otherwise available for distribution by applying such amount in paying up unissued shares to be allotted as fully paid bonus shares pro rata to the Members.

35.2 The Board may capitalise any amount for the time being standing to the credit of a reserve account or amounts otherwise available for dividend distribution by applying such amounts in paying up in full, partly or nil paid shares of those Members who would have been entitled to such amounts if they were distributed by way of dividend or distribution.

**DIRECTORS AND OFFICERS**

**36. Election of Directors**

36.1 The Board shall be elected or appointed in the first place at the statutory meeting of the Company and thereafter, except in the case of a casual vacancy, at the annual general meeting or at any special general meeting called for that purpose. The Company may in general meeting set a shareholding requirement for Directors but unless so set there shall be no such requirement.

36.2 At any general meeting the Members may authorise the Board to fill any vacancy in their number left unfilled at a general meeting.

**37. Number of Directors**

The Board shall consist of not less than one Director or such number as the Members may determine.

**38. Term of Office of Directors**

Directors shall hold office for such term as the Members may determine or, in the absence of such determination, until the next annual general meeting or until their successors are elected or appointed or their office is otherwise vacated.

**39. Alternate Directors**

39.1 At any general meeting, the Members may elect a person or persons to act as a Director in the alternative to any one or more Directors or may authorise the Board to appoint such Alternate Directors.

- 39.2 Unless the Members otherwise resolve, any Director may appoint a person or persons to act as a Director in the alternative to himself by notice deposited with the Secretary. Any person so elected or appointed shall have all the rights and powers of the Director or Directors for whom such person is appointed in the alternative provided that such person shall not be counted more than once in determining whether or not a quorum is present.
- 39.3 An Alternate Director shall be entitled to receive notice of all meetings of the Board and to attend and vote at any such meeting at which a Director for whom such Alternate Director was appointed in the alternative is not personally present and generally to perform at such meeting all the functions of such Director for whom such Alternate Director was appointed.
- 39.4 An Alternate Director shall cease to be such if the Director for whom he was appointed to act as a Director in the alternative ceases for any reason to be a Director, but he may be re-appointed by the Board as an alternate to the person appointed to fill the vacancy in accordance with these Bye-laws.

**40. Removal of Directors**

- 40.1 Subject to any provision to the contrary in these Bye-laws, the Members entitled to vote for the election of Directors may, at any special general meeting convened and held in accordance with these Bye-laws, remove a Director provided that the notice of any such meeting convened for the purpose of removing a Director shall contain a statement of the intention so to do and be served on such Director not less than 14 days before the meeting and at such meeting the Director shall be entitled to be heard on the motion for such Director's removal.
- 40.2 If a Director is removed from the Board under this Bye-law, the Members may fill the vacancy at the meeting at which such Director is removed. In the absence of such election or appointment, the Board may fill the vacancy.

**41. Vacancy in the Office of Director**

- 41.1 The office of Director shall be vacated if the Director:
- (a) is removed from office pursuant to these Bye-laws or is prohibited from being a Director by law;
  - (b) is or becomes bankrupt, or makes any arrangement or composition with his creditors generally;
  - (c) is or becomes of unsound mind or dies; or
  - (d) resigns his office by notice to the Company.

41.2 The Board shall have the power to appoint any person as a Director to fill a vacancy on the Board occurring as a result of the death, disability, disqualification or resignation of any Director and to appoint an Alternate Director to any Director so appointed.

**42. Remuneration of Directors**

The remuneration (if any) of the Directors shall be determined by the Company in a general meeting and shall be deemed to accrue from day to day. The Directors may also be paid all travel, hotel and other expenses properly incurred by them in attending and returning from the meetings of the Board, any committee appointed by the Board, general meetings, or in connection with the business of the Company or their duties as Directors generally.

**43. Defect in Appointment**

All acts done in good faith by the Board, any Director, a member of a committee appointed by the Board, any person to whom the Board may have delegated any of its powers, or any person acting as a Director shall, notwithstanding that it be afterwards discovered that there was some defect in the appointment of any Director or person acting as aforesaid, or that he was, or any of them were, disqualified, be as valid as if every such person had been duly appointed and was qualified to be a Director or act in the relevant capacity.

**44. Directors to Manage Business**

The business of the Company shall be managed and conducted by the Board. In managing the business of the Company, the Board may exercise all such powers of the Company as are not required to be exercised by the Company in general meeting by these Bye-laws or the Companies Act.

**45. Powers of the Board of Directors**

The Board may:

- (a) appoint one or more Directors to the office of managing director or chief executive officer of the Company, who shall, subject to the control of the Board, supervise and administer all of the general business and affairs of the Company;
- (b) appoint a person to act as manager of the Company's day-to-day business and may entrust to and confer upon such manager such powers and duties as it deems appropriate for the transaction or conduct of such business;
- (c) appoint, suspend, or remove any manager, secretary, clerk, agent or employee of the Company and may fix their remuneration and determine their duties;
- (d) exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking, property and uncalled capital, or any part thereof, and may issue debentures, debenture stock, convertible loan notes, and other securities whether outright or as security for any debt, liability or obligation of the Company or any third party;

- (e) by power of attorney, appoint any company, firm, person or body of persons, whether nominated directly or indirectly by the Board, to be an attorney of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Board) and for such period and subject to such conditions as it may think fit and any such power of attorney may contain such provisions for the protection and convenience of persons dealing with any such attorney as the Board may think fit and may also authorise any such attorney to sub-delegate all or any of the powers, authorities and discretions so vested in the attorney;
- (f) procure that the Company pays all expenses incurred in promoting and incorporating the Company;
- (g) in connection with the issue of any share, pay such commission and brokerage as may be permitted by law; and
- (h) authorise any company, firm, person or body of persons to act on behalf of the Company for any specific purpose and in connection therewith to execute any deed, agreement, document or instrument on behalf of the Company.
- (i) present any petition and make any application in connection with the liquidation or reorganisation of Company;
- (j) delegate any of its powers (including the power to sub-delegate) to a committee of one or more persons appointed by the Board which may consist partly or entirely of non-Directors, provided that every such committee shall conform to such directions as the Board shall impose on them and provided further that the meetings and proceedings of any such committee shall be governed by the provisions of these Bye-laws regulating the meetings and proceedings of the Board, so far as the same are applicable and are not superseded by directions imposed by the Board; and
- (k) delegate any of its powers (including the power to sub-delegate) to any person on such terms and in such manner as the Board may see fit.

**46. Register of Directors and Officers**

The Board shall cause to be kept in one or more books at the Registered Office a Register of Directors and Officers and shall enter therein the particulars required by the Companies Act.

**47. Appointment of Officers**

The Board may appoint such Officers (who may or may not be Directors) as the Board may determine.

**48. Appointment of Secretary**

The Secretary shall be appointed by the Board from time to time.

**49. Duties of Officers**

The Officers shall have such powers and perform such duties in the management, business and affairs of the Company as may be delegated to them by the Board from time to time.

**50. Remuneration of Officers**

The Officers shall receive such remuneration as the Board may determine.

**51. Conflicts of Interest**

51.1 Any Director, or any Director's firm, partner or any company with whom any Director is associated, may act in any capacity for, be employed by or render services to the Company and such Director or such Director's firm, partner or company shall be entitled to remuneration as if such Director were not a Director. Nothing contained in this Bye-law shall authorise a Director or Director's firm, partner or company to act as Auditor to the Company.

51.2 A Director who is directly or indirectly interested in a contract or proposed contract or arrangement with the Company shall declare the nature of such interest as required by the Companies Act.

51.3 Following a declaration being made pursuant to this Bye-law, and unless disqualified by the chairman of the relevant Board meeting, a Director may vote in respect of any contract or proposed contract or arrangement in which such director is interested and may be counted in the quorum for such meeting.

**52. Indemnification and Exculpation of Directors and Officers**

52.1 The Directors, Secretary and other Officers (the term Officer for this Bye-law to include any person appointed to any committee by the Board) for the time being acting in relation to any of the affairs of the Company, any subsidiary thereof, and the liquidation or trustees (if any) for the time being acting in relation to any of the affairs of the Company or any subsidiary thereof and every one of them, and their heirs, executors and administrators, shall be indemnified and secured harmless out of the assets of the Company from and against all actions, costs, charges, losses, damages and expenses which they or any of them, their heirs, executors or administrators, shall or may incur or sustain by or by reason of any act done, concurred in or omitted in or about the execution of their duty, or supposed duty, or in their respective offices or trusts, and none of them shall be answerable for the acts, receipts, neglects or defaults of the others of them or for joining in any receipts for the sake of conformity, or for any bankers or other persons with whom any moneys or effects belonging to the Company shall or may be lodged or deposited for safe custody, or for insufficiency or deficiency of any security upon which any moneys of or belonging to the Company shall be placed out on or invested, or for any other loss, misfortune or damage which may happen in the execution of their respective offices or trusts, or in relation thereto, PROVIDED THAT this indemnity shall not extend to any matter in respect of any fraud or dishonesty which may attach to any of the said persons.

- 52.2 Each Member agrees to waive any claim or right of action such Member might have, whether individually or by or in the right of the Company, against any Director or Officer on account of any action taken by such Director or Officer, or the failure of such Director or Officer to take any action in the performance of his duties with or for the Company or any subsidiary thereof, PROVIDED THAT such waiver shall not extend to any matter in respect of any fraud or dishonesty which may attach to such Director or Officer.
- 52.3 The Company may purchase and maintain insurance for the benefit of any Director or Officer against any liability incurred by him under the Companies Act in his capacity as a Director or Officer or indemnifying such Director or Officer in respect of any loss arising or liability attaching to him by virtue of any rule of law in respect of any negligence, default, breach of duty or breach of trust of which the Director or Officer may be guilty in relation to the Company or any subsidiary thereof.
- 52.4 The Company may advance moneys to a Director or Officer for the costs, charges and expenses incurred by the Director or Officer in defending any civil or criminal proceedings against him, on condition that the Director or Officer shall repay the advance if any allegation of fraud or dishonesty is proved against him.

#### MEETINGS OF THE BOARD OF DIRECTORS

##### 53. Board Meetings

The Board may meet for the transaction of business, adjourn and otherwise regulate its meetings as it sees fit. A resolution put to the vote at a meeting of the Board shall be carried by the affirmative votes of a majority of the votes cast and in the case of an equality of votes the resolution shall fail.

##### 54. Notice of Board Meetings

A Director may, and the Secretary or Assistant Secretary on the requisition of a Director shall, upon not less than 72 hours advance notice, summon a meeting of the Board. Notice of a meeting of the Board shall be deemed to be duly given to a Director if it is given to such Director verbally (including in person or by telephone) or otherwise communicated or sent to such Director by post, electronic means, or other mode of representing words in visible form at such Director's last known address or in accordance with any other instructions given by such Director to the Company for this purpose. A Director may at any time waive the right to receive less than 72 hours advance notice of a meeting of the Board.

**55. Telephonic or electronic Participation In Meetings**

Directors may participate in any meeting by telephonic or such electronic means as permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously, and participation in such a meeting shall constitute presence in person at such meeting. Such a meeting shall be deemed to take place where the largest group of Directors participating in the meeting is physically assembled or, if there is no such group, where the chairman of the meeting then is.

**56. Quorum at Board Meetings**

The quorum necessary for the transaction of business at a meeting of the Board shall be one Director, or such number as the Members may determine.

**57. Board to Continue in the Event of Vacancy**

The Board may act notwithstanding any vacancy in its number but, if and so long as its number is reduced below the number fixed by these Bye-laws as the quorum necessary for the transaction of business at meetings of the Board, the continuing Directors or Director may act for the purpose of (i) summoning a general meeting; or (ii) preserving the assets of the Company.

**58. Chairman to Preside**

Unless otherwise agreed by a majority of the Directors attending, the Chairman, if there be one, and if not, the President, if there be one, shall act as chairman at all meetings of the Board at which such person is present. In their absence a chairman shall be appointed or elected by the Directors present at the meeting.

**59. Written Resolutions**

A resolution signed by all the Directors, which may be in counterparts, shall be as valid as if it had been passed at a meeting of the Board duly called and constituted, such resolution to be effective on the date on which the last Director signs the resolution. For the purposes of this Bye-law only, "the Directors" shall not include an Alternate Director.

**60. Validity of Prior Acts of the Board**

No regulation or alteration to these Bye-laws made by the Company in general meeting shall invalidate any prior act of the Board which would have been valid if that regulation or alteration had not been made.



**61. Books of Account**

61.1 The Board shall cause to be kept proper records of account with respect to all transactions of the Company and in particular with respect to:

- (a) all amounts of money received and expended by the Company and the matters in respect of which the receipt and expenditure relates;
- (b) all sales and purchases of goods by the Company; and
- (c) all assets and liabilities of the Company.

61.2 Such records of account shall be kept at the Registered Office, or subject to the Companies Act, at such other place as the Board thinks fit and shall be available for inspection by the Directors during normal business hours.

**62. Financial Year End**

The financial year end of the Company may be determined by resolution of the Board and failing such resolution shall be 30<sup>th</sup> June in each year.

**AUDITS**

**63. Annual Audit**

Subject to any rights to waive the laying of accounts or the appointment of an Auditor pursuant to the Companies Act, the accounts of the Company shall be audited at least once in every year.

**64. Appointment of Auditor**

64.1 Subject to the Companies Act and provided that the Members have not waived the requirement to hold an annual general meeting or appoint an Auditor, at the annual general meeting or at a subsequent special general meeting in each year, an independent representative of the Members shall be appointed by them as Auditor of the accounts of the Company.

64.2 The Auditor may be a Member but no Director, Officer or employee of the Company shall, during his continuance in office, be eligible to act as an Auditor of the Company.

**65. Remuneration of Auditor**

Save in the case of an Auditor appointed pursuant to Bye-law 70, the remuneration of the Auditor shall be fixed by the Company in a general meeting or in such manner as the Members may determine. In the case of an Auditor appointed pursuant to Bye-law 70, the remuneration of the Auditor shall be fixed by the Board.

**66. Duties of Auditor**

66.1 The financial statements provided for by these Bye-laws shall be audited by the Auditor in accordance with generally accepted auditing standards. The Auditor shall make a written report on such financial statements in accordance with generally accepted auditing standards.

66.2 The generally accepted auditing standards referred to in this Bye-law may be those of a country or jurisdiction other than Bermuda or such other generally accepted auditing standards as may be provided for in the Companies Act. If so, the financial statements and the report of the Auditor shall identify the generally accepted auditing standards used.

**67. Access to Records**

The Auditor shall at all reasonable times have access to all books kept by the Company and to all accounts and vouchers relating thereto, and the Auditor may call on the Directors or Officers of the Company for any information in their possession relating to the books or affairs of the Company.

**68. Financial Statements**

Subject to the waiver of the laying of accounts by the Members in accordance with the Companies Act, financial statements, as required by the Companies Act, shall be laid before the Members in an annual general meeting, or if the Members waive the requirement for an annual general meeting, financial statements, as required by the Companies Act, shall be made available to the Members in accordance with the Companies Act. A resolution in writing made in accordance with Bye-law 30 receiving, accepting, adopting, approving or otherwise acknowledging financial statements shall be deemed to be the laying of such statements before the Members in a general meeting.

**69. Distribution of Auditor's Report**

The report of the Auditor shall be submitted to the Members at a general meeting.

**70. Vacancy in the Office of Auditor**

The Board may fill any casual vacancy in the office of the Auditor

**CORPORATE RECORDS**

**71. Minutes**

The Board shall cause minutes to be duly entered in books provided for the purpose of:

- (a) all elections and appointments of Officers;

(b) the names of the Directors present at each meeting of the Board and of any committee appointed by the Board; and

(c) all resolutions and proceedings of general meetings of the Members, meetings of the Board, meetings of managers and meetings of committees appointed by the Board.

**72. Place Where Corporate Records Kept**

Minutes prepared in accordance with the Companies Act and these Bye-laws shall be kept by the Secretary at the Registered Office.

**73. Form and Use of Seal**

73.1 The Company may adopt a seal in such form as the Board may determine. The Board may adopt one or more duplicate seals for use in or outside Bermuda.

73.2 A seal may, but need not be affixed to any deed, instrument, share certificate or document, and if the seal is to be affixed to such deed, instrument, share certificate or document, it shall be attested by the signature of (i) any Director, or (ii) any Officer, or (iii) the Secretary, or (iv) any person authorised by the Board for that purpose.

73.3 A Resident Representative may, but need not, affix the seal of the Company to certify the authenticity of any copies of documents.

**CHANGES TO CONSTITUTION**

**74. Alteration or amendment of Bye-laws**

No Bye-law may be rescinded, altered or amended and no new Bye-law may be made save in accordance with the Companies Act and until such amendment or alteration has been approved by a resolution of the Board and by a resolution of the Members.

**75. Alteration or amendment of Memorandum**

No alteration or amendment to the Memorandum may be made save in accordance with the Companies Act and until such alteration or amendment has been approved by a resolution of the Board and by a resolution of the Members.

**76. Discontinuance**

The Board may exercise all the powers of the Company to discontinue the Company to a jurisdiction outside Bermuda pursuant to the Companies Act.

**77. Registered Office**

The Registered Office shall be at such place in Bermuda as the Board shall from time to time determine.

**78. Amalgamation and Merger**

The Company may by resolution of the Members approve the amalgamation or merger of the Company with any other company wherever incorporated.

**79. Conversion**

The Company may by resolution of the Members approve a conversion of the Company into a partnership.

**VOLUNTARY WINDING-UP AND DISSOLUTION**

**80. Winding-Up**

If the Company shall be wound up the liquidator may, with the sanction of a resolution of the Members, divide amongst the Members in specie or in kind the whole or any part of the assets of the Company (whether they shall consist of property of the same kind or not) and may, for such purpose, set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the Members or different classes of Members. The liquidator may, with the same sanction of a resolution of the Members, vest the whole or any part of such assets in the trustees upon such trusts for the benefit of the Members as the liquidator shall think fit, but so that no Member shall be compelled to accept any shares or other securities or assets whereon there is any liability.

**SCHEDULE "A"**

**FORM OF NOTICE OF FORFEITURE (BYE-LAW 6)**

Notice of Forward March Limited (the "Company")

You have failed to pay the call of [amount of call] made on the [ ] day of [ ], 20[ ], in respect of the [number] share(s) [number in figures] standing in your name in the Register of Members of the Company, on the [ ] day of [ ], 20[ ], the day appointed for payment of such call. You are hereby notified that unless you pay such call together with interest on such call at the rate of [ ] per annum calculated from the said [ ] day of [ ], 20[ ] at the registered office of the Company the share(s) will be liable to be forfeited.

Dated this [ ] day of [ ], 20[ ]

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[Signature of Secretary]  
By Order of Board

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**SCHEDULE "B"**

**FORM OF TRANSFER (BYE-LAW 11)**

Transfer of a Share or Shares  
Forward March Limited (the "Company")

FOR VALUE RECEIVED .....[amount], I/We, [name of transferor] hereby sell, assign and transfer unto [transferee] of [address], [number] of shares of the Company.

DATED this [ ] day of [ ], 20[ ]

Signed by:

In the presence of:

\_\_\_\_\_  
Transferor

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Transferee

\_\_\_\_\_  
Witness

\_\_\_\_\_

**SCHEDULE "C"**

**FORM OF TRANSFER (BYE-LAW 12.2)**

Transfer by a Person Becoming Entitled on Death/Bankruptcy of a Member  
Forward March Limited (the "Company")

I/We, having become entitled in consequence of the [death/bankruptcy] of [name and address of deceased/bankrupt Member] to [number] share(s) standing in the Register of Members of the Company in the name of the said [name of deceased/bankrupt Member] instead of being registered myself/ourselves, elect to have [name of transferee] (the "Transferee") registered as a transferee of such share(s) and I/we do hereby accordingly transfer the said share(s) to the Transferee to hold the same unto the Transferee, his or her executors, administrators and assigns, subject to the conditions on which the same were held at the time of the execution hereof; and the Transferee does hereby agree to take the said share(s) subject to the same conditions.

DATED this [ ] day of [ ], 20[ ]

Signed by:

\_\_\_\_\_

Transferor

\_\_\_\_\_

Transferee

In the presence of:

\_\_\_\_\_

Witness

\_\_\_\_\_

Witness

\_\_\_\_\_

FORWARD MARCH LIMITED  
(REGISTRATION #52447)  
(THE "COMPANY")  
CERTIFICATE OF DESIGNATION, PREFERENCES AND RIGHTS OF  
CONVERTIBLE PREFERENCE SHARES  
(THIS "CERTIFICATE OF DESIGNATION")<sup>1</sup>

The Company HEREBY CERTIFIES that, pursuant to resolutions of the Board of Directors passed on June 20 2017, the Company created its Convertible Preference Shares, of par value US\$0.0001 each, and that the designation, powers, preferences and rights and the qualifications, limitations and restrictions thereof are set forth in this Certificate of Designation:

Section 1. Designation and Number of Convertible Preference Shares. The designation of the preference shares authorized hereby shall be "Convertible Preference Shares" (the "Convertible Preference Shares"). The maximum number of Convertible Preference Shares shall be 4,749,861.

Section 2. Dividends.

2A. General Obligation. When, as and if declared by the Board of Directors, to the extent permitted under the Act, the Company shall pay dividends to the holders of the Convertible Preference Shares, as provided in this Section 2.

2B. Dividend Preference. The Company shall not declare nor pay any dividends or make any distribution upon any class of Common Shares, until and unless the Company has declared and paid a dividend of at least US\$2.00 with respect to each Convertible Preference Share.

Section 3. Liquidation. On any voluntary or involuntary liquidation, dissolution or winding-up of the Company, holders of Convertible Preference Shares shall be entitled to receive, proportionately according to the number of Convertible Preference Shares held, those assets available for distribution to the members.

Section 4. Voting Rights. The holders of Convertible Preference Shares shall be entitled to notice of all meetings of members as and when such notice is provided to the holders of Common Shares using the methods provided in accordance with the Bye-Laws or as otherwise required by applicable law. The holders of Convertible Preference Shares shall be entitled to vote (on an as-converted basis), together with the holders of the Common Shares voting together as a single class, on all matters (including the election of directors) submitted to the shareholders for a vote. The holders of Convertible Preference Shares shall be entitled to the number of votes equal to the number of Common Shares into which the Convertible Preference Shares held could be converted pursuant to the terms hereof as of the record date for such vote or, if no record date is specified, as of the date of such vote. Fractional votes shall not, however, be permitted and any fractional voting rights available on an as-converted basis shall be rounded to the nearest whole number (with one-half being rounded upward).

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<sup>1</sup> Capitalized terms used but not otherwise defined herein shall have the meanings set forth in Section 9.



Section 5. Conversion.

5A. Mandatory Conversion. All of the then issued Convertible Preference Shares shall automatically convert into Common Shares, in accordance with the provisions of this Section upon the consummation of a Qualified Public Offering, with such conversion only being effected at the time of and subject to the closing of the sale of securities by the Company pursuant to such Qualified Public Offering.

5B. Conversion Procedure.

(i) Conversion pursuant to Section 5A shall be automatic, without the need for any further action on behalf of the holders of Convertible Preference Shares, and regardless of whether the certificates representing such shares (if any) are surrendered to the Company or its transfer agent.

(ii) Each Convertible Preference Share shall be convertible into one Common Share. If the Convertible Preference Shares undergo any share split, share consolidation or other similar recapitalization, then the provisions of this Section 5B(ii) shall be appropriately adjusted such that a holder of Convertible Preference Shares shall receive upon conversion the same number of Common Shares such holder would have received if it had converted its Convertible Preference Shares immediately prior to the such event.

(iii) At the time any such conversion has been effected, the rights of the holder of the Convertible Preference Shares converted (as a holder of such converted Convertible Preference Shares) shall cease and such converted Convertible Preference Shares shall cease to have the rights and restrictions of Convertible Preference Shares provided hereby and shall convert to and become Common Shares, as applicable, and the Person or Persons in whose name or names Common Shares are to be registered upon such conversion shall thereby become the holder or holders of record of such Common Shares.

(iv) As soon as possible after a conversion has been effected (but in any event within five (5) Business Days following such conversion) the Company shall amend its register of members to effect the conversion and shall thereafter deliver to the converting holder:

(a) a notice stating that the Convertible Preference Shares have been converted and that any certificates evidencing Convertible Preference Shares must be surrendered at the office of the Company;

(b) a certificate or certificates representing the number of Common Shares issuable by reason of such conversion in such name or names and such denomination or denominations as the converting holder has specified; and

(c) payment in cash of the amount payable under Section Error! Reference source not found. below with respect to such conversion.

(v) The issuance of certificates for Common Shares upon conversion of Convertible Preference Shares shall be made without charge to the holders of such Convertible Preference Shares for any issuance or stamp tax in respect thereof or other cost incurred by the Company in connection with such conversion into Common Shares. Upon conversion of each Convertible Preference Share, the Company shall take all such actions as are necessary in order to ensure that the Common Shares resulting from such conversion shall be duly and validly issued, fully paid, and free and clear of all taxes, liens, charges and encumbrances except those created by the holder thereof.

(vi) The Company shall not close its books against the transfer of Convertible Preference Shares or Common Shares resulting from conversion of Convertible Preference Shares in any manner that interferes with the timely conversion of Convertible Preference Shares. The Company shall assist and cooperate with any holder of Convertible Preference Shares required to make any governmental filings or obtain any governmental approval prior to or in connection with any conversion of Convertible Preference Shares hereunder (including, without limitation, making any filings required to be made by the Company).

(vii) The Company shall at all times reserve and keep available out of its authorized but unissued Common Shares, solely for the purpose of issuance upon the conversion of Convertible Preference Shares, such number of shares of Common Shares issuable upon the conversion of all outstanding Convertible Preference Shares. All Common Shares which are so issuable shall, when issued, be duly and validly issued, fully paid, and free and clear of all taxes, liens, charges and encumbrances except those created by the holder thereof. The Company shall take all such actions as may be necessary to ensure that all Common Shares may be so issued without violation of any applicable law or governmental regulation or any requirements of any domestic securities exchange upon which the Common Shares may be listed (except for official notice of issuance which shall be immediately delivered by the Company upon each such issuance). The Company shall not take any action that would cause the number of authorized but unissued Common Shares to be less than the number of such shares required to be reserved hereunder for issuance upon conversion of Convertible Preference Shares.

(viii) No fractional shares shall result from the conversion of any Convertible Preference Shares, and the number of Common Shares resulting from such conversion shall be rounded down to the nearest whole share. The number of shares resulting from such conversion shall be determined on the basis of the total number of Convertible Preference Shares the holder is at the time converting into Common Shares and the number of Common Shares which will result from such aggregate conversion. If the conversion would result in any fractional share, the Company shall, in lieu of such fractional share, pay the holder thereof an amount in cash equal to the fair market value of such fractional share on the date of conversion, as determined in good faith by the Board of Directors.

(ix) If there occurs a change in the capitalization of the Company as permitted herein and if the Common Shares resulting from conversion of Convertible Preference Shares are convertible into or exchangeable for any other shares or securities of the Company, the Company shall, at the converting holder's option, upon surrender of the Convertible Preference Shares to be converted by such holder as provided herein together with any notice, statement or payment required to effect such conversion or exchange of Common Shares, deliver to such holder or as otherwise specified by such holder a certificate or certificates representing the shares or securities into which the Common Shares resulting from conversion are so convertible or exchangeable, registered in such name or names and in such denomination or denominations as such holder has specified.

5C. Notices.

- (i) The Company shall give written notice to all holders of Convertible Preference Shares at least twenty (20) days prior to the date on which the Company closes its books or takes a record (a) with respect to any dividend or distribution upon the Common Shares, (b) with respect to any *pro rata* subscription offer to holders of Common Shares or (c) for determining rights to vote with respect to any dissolution or liquidation.
- (ii) The Company shall also give written notice to the holders of Convertible Preference Shares at least twenty (20) days prior to the date on which any Qualified Public Offering shall take place.

Section 6. Purchase Rights. Excluding Options granted pursuant to the Option Plan, at any time the Company grants, issues or sells any Options, Convertible Securities or rights to purchase shares, warrants, securities or other property pro rata to the record holders of Common Shares (the "Purchase Rights"), each holder of Convertible Preference Shares then issued shall be entitled to acquire, upon the terms applicable to such Purchase Rights, the aggregate Purchase Rights which such holder could have acquired if such holder had held the number of Common Shares (treated for this purpose as a single class) acquirable upon conversion of such holder's Convertible Preference Shares immediately before the date on which a record is taken for the grant, issuance or sale of such Purchase Rights, or if no such record is taken, the date as of which the record holders of Common Shares are to be determined for the grant, issue or sale of such Purchase Rights.

Section 7. Registration of Transfer. The Company shall keep at its principal office a register of members for the registration of holders of Convertible Preference Shares. Upon the surrender of any certificate representing Convertible Preference Shares at such place, the Company shall, at the request of the record holder of such certificate, execute and deliver (at the Company's expense) a new certificate or certificates in exchange therefor representing in the aggregate the number of Convertible Preference Shares represented by the surrendered certificate. Each such new certificate shall be registered in such name and shall represent such number of Convertible Preference Shares as is requested by the holder of the surrendered certificate and shall be substantially identical in form to the surrendered certificate, and dividends shall accrue on the Convertible Preference Shares represented by such new certificate from the date to which dividends have been fully paid on such Convertible Preference Shares represented by the surrendered certificate.

Section 8. Replacement. Upon receipt of evidence reasonably satisfactory to the Company (an affidavit of the registered holder shall be satisfactory) of the ownership and the loss, theft, destruction or mutilation of any certificate evidencing Convertible Preference Shares, and in the case of any such loss, theft or destruction, upon receipt of an indemnity from such holder reasonably satisfactory to the Company, or, in the case of any such mutilation upon surrender of such certificate, the Company shall (at its expense) execute and deliver in lieu of such certificate a new certificate of like kind representing the number of Convertible Preference Shares of such class represented by such lost, stolen, destroyed or mutilated certificate and dated the date of such lost, stolen, destroyed or mutilated certificate, and dividends shall accrue on the Convertible Preference Shares represented by such new certificate from the date to which dividends have been fully paid on such lost, stolen, destroyed or mutilated certificate.

Section 9. Representation on the Board of Directors. The holders of the Convertible Preference Shares shall together be entitled by notice in writing to the Company to appoint (and remove) seven (7) Persons to the Board of Directors.

Section 10. Definitions.

“Acceptable Exchange” means (i) any of the New York Stock Exchange, the NASDAQ National Market, the London Stock Exchange, the “AIM” market operated by the London Stock Exchange plc (“AIM”) or the Hong Kong Stock Exchange or (ii) if agreed in writing by the Company and the holders of a majority of the Convertible Preference Shares then issued based on their good faith determination, either of the Stock Exchange of Singapore or the Dubai International Financial Exchange.

“Act” means the Companies Act 1981 (as amended).

“Board of Directors” means the board of directors of the Company.

“Business Day” means any day other than a Saturday, a Sunday or a day on which banks in New York City are authorized or obligated by law or executive order to close.

“Bye-laws” means the bye-laws of the Company in force from time to time.

“Common Share” means any common share of the Company.

“Convertible Securities” means any shares or securities directly or indirectly convertible into or exchangeable for Common Shares.

“Junior Securities” means any share capital or other equity securities of the Company, except for the Convertible Preference Shares.

“Option Plan” means the 2017 Stock Plan of the Company.

“Options” means any rights, warrants or options to subscribe for or purchase Common Shares or Convertible Securities or other Junior Securities.

“Person” means an individual, a partnership, a company, a limited liability company, a limited liability partnership, an association, a joint stock company, a trust, a joint venture, an unincorporated organization and a governmental entity or any department, agency or political subdivision thereof.

“Qualified Public Offering” shall mean a firm commitment underwritten initial public offering of shares of the Common Shares pursuant to an effective registration statement under the US Securities Act of 1933 (or otherwise conducted in accordance with applicable law) providing for the listing of the Common Shares on an Acceptable Exchange.

Section 11. Governing Law. This Certificate of Designations shall be governed and construed in accordance with the Act.

Section 12. Amendment and Waiver. No amendment, modification, waiver or change in the terms hereof through merger, amalgamation, or consolidation of the Company with another company or entity shall be binding or effective with respect to any provision of this Certificate of Designation without the prior written consent of the holders of at least a majority of the Convertible Preference Shares outstanding at the time such action is taken.

Section 13. Notices. Except as otherwise expressly provided hereunder, all notices referred to herein shall be in writing and shall be (i) delivered in person, (ii) transmitted by email, (iii) sent by registered or certified mail, postage prepaid with return receipt requested, or (iv) sent by reputable overnight courier service, fees prepaid, to (x) the Company, at its principal executive offices and (y) to any shareholder, at such shareholder’s address or email address as it appears in the records of the Company (unless otherwise indicated in writing by any such shareholder). Notices shall be deemed given upon personal delivery, upon receipt of return receipt in the case of delivery by mail, upon transmission in the case of delivery by email (unless a rejection message from the recipients email is received confirming non-delivery) or one day following deposit with an overnight courier service.

Section 14. The Bye-laws. If there shall be any conflict between the provisions of this Certificate of Designations and the Bye-laws then, for so long as any Convertible Preference Shares are issued and outstanding, the provisions of this Certificate of Designations shall prevail.

IN WITNESS WHEREOF, the Company has caused this Certificate of Designation to be signed by a director.



\_\_\_\_\_  
Director

SIGNED  
for and on behalf of  
FORWARD MARCH LIMITED



FORWARD MARCH LIMITED

2017 STOCK PLAN

1. **Purposes of the Plan.** The purposes of this 2017 Stock Plan are to attract and retain the best available personnel for positions of substantial responsibility, to provide additional incentive to Employees and Consultants, and to promote the success of the Company's business. Options granted under the Plan may be Incentive Stock Options or Nonstatutory Stock Options, as determined by the Administrator at the time of grant of an Option and subject to the applicable provisions of Section 422 of the Code and the regulations promulgated thereunder. Restricted Stock may also be granted under the Plan.

2. **Definitions.** As used herein, the following definitions shall apply:

(a) **"Administrator"** means the Board or a Committee.

(b) **"Affiliate"** means (i) an entity other than a Subsidiary which, together with the Company, is under common control of a third person or entity and (ii) an entity other than a Subsidiary in which the Company and /or one or more Subsidiaries own a controlling interest.

(c) **"Applicable Laws"** means all applicable laws, rules, regulations and requirements, including, but not limited to, all applicable U.S. federal or state laws, any Stock Exchange rules or regulations, and the applicable laws, rules or regulations of any other country or jurisdiction where Options or Restricted Stock are granted under the Plan or Participants reside or provide services, as such laws, rules, and regulations shall be in effect from time to time.

(d) **"Award"** means any award of an Option or Restricted Stock under the Plan.

(e) **"Board"** means the Board of Directors of the Company.

(f) **"California Participant"** means a Participant whose Award is issued in reliance on Section 25102(o) of the California Corporations Code.

(g) **"Cashless Exercise"** means a program approved by the Administrator in which payment of the Option exercise price or tax withholding obligations or other required deductions may be satisfied, in whole or in part, with Shares subject to the Option, including by delivery of an irrevocable direction to a securities broker (on a form prescribed by the Company) to sell Shares and to deliver all or part of the sale proceeds to the Company in payment of such amount.

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(h) **“Cause”** for termination of a Participant’s Continuous Service Status will exist (unless another definition is provided in an applicable Option Agreement, Restricted Stock Purchase Agreement, employment agreement or other applicable written agreement, in which such cause shall be “Cause” hereunder) if the Participant’s Continuous Service Status is terminated for any of the following reasons: (i) any material breach by Participant of any written agreement between Participant and the Company and, where the breach is curable as determined in the Board’s discretion, Participant’s failure to cure such breach within 10 days after receiving written notice thereof; (ii) any failure by Participant to comply with the Company’s written policies or rules as they may be in effect from time to time; (iii) neglect or persistent unsatisfactory performance of Participant’s duties, as determined in the Board’s discretion; (iv) Participant’s repeated failure to follow reasonable and lawful instructions from the Board or Chief Executive Officer, as applicable; (v) Participant’s conviction of, or plea of guilty or nolo contendere to, any felony or crime that results in, or which the Board determines in its reasonable discretion is expected to result in, damage to the business or reputation of the Company; (vi) Participant’s commission of or participation in an act of fraud or intentional misconduct against the Company; (vii) Participant’s intentional damage to the Company’s business, property or reputation; or (viii) Participant’s unauthorized use or disclosure of any proprietary information or trade secrets of the Company or any other party to whom the Participant owes an obligation of nondisclosure as a result of his or her relationship with the Company. For purposes of clarity, a termination without “Cause” does not include any termination that occurs as a result of Participant’s death or Disability. The determination as to whether a Participant’s Continuous Service Status has been terminated for Cause shall be made in good faith by the Company and shall be final and binding on the Participant. The foregoing definition does not in any way limit the Company’s ability to terminate a Participant’s employment or consulting relationship at any time, and the term “Company” will be interpreted to include any Subsidiary, Parent, Affiliate, or any successor thereto, if appropriate. Where written notice is required under this subsection (h), written notice transmitted by email to a Participant’s email account (whether a personal or work email account) shall suffice and be deemed delivered upon the sending of the email.

(i) **“Change of Control”** means (i) a sale of all or substantially all of the Company’s assets other than to an Excluded Entity (as defined below), (ii) an amalgamation, merger, consolidation or other capital reorganization or business combination transaction of the Company with or into another corporation, limited liability company or other entity other than an Excluded Entity, or (iii) the consummation of a transaction, or series of related transactions, in which any “person” (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) becomes the “beneficial owner” (as defined in Rule 13d-3 of the Exchange Act), directly or indirectly, of all of the Company’s then outstanding voting securities.

Notwithstanding the foregoing, a transaction shall not constitute a Change of Control if its purpose is to (A) change the jurisdiction of the Company’s incorporation, (B) create a holding company that will be owned in substantially the same proportions by the persons who hold the Company’s securities immediately before such transaction, or (C) obtain funding for the Company in a financing that is approved by the Company’s Board. An **“Excluded Entity”** means a corporation or other entity of which the holders of voting capital stock of the Company outstanding immediately prior to such transaction are the direct or indirect holders of voting securities representing at least a majority of the votes entitled to be cast by all of such corporation’s or other entity’s voting securities outstanding immediately after such transaction.

(j) **“Code”** means the Internal Revenue Code of 1986, as amended.



(k) "**Committee**" means one or more committees or subcommittees of the Board consisting of two (2) or more Directors (or such lesser or greater number of Directors as shall constitute the minimum number permitted by Applicable Laws to establish a committee or sub-committee of the Board) appointed by the Board to administer the Plan in accordance with Section 4 below.

(l) "**Common Stock**" means the Company's common shares having a par value of US \$0.0001 per share, as adjusted in accordance with Section 11 below.

(m) "**Company**" means Forward March Limited, an exempted Bermuda company.

(n) "**Consultant**" means any person or entity, including an advisor but not an Employee, that renders, or has rendered, services to the Company, or any Parent, Subsidiary or Affiliate and is compensated for such services, and any Director whether compensated for such services or not.

(o) "**Continuous Service Status**" means the absence of any interruption or termination of service as an Employee or Consultant. Continuous Service Status as an Employee or Consultant shall not be considered interrupted or terminated in the case of: (i) Company approved sick leave; (ii) military leave; (iii) any other bona fide leave of absence approved by the Company, provided that, if an Employee is holding an Incentive Stock Option and such leave exceeds 3 months, such Employee's service as an Employee shall be deemed terminated on the 1st day following such 3-month period and the Incentive Stock Option shall thereafter automatically become a Nonstatutory Stock Option in accordance with Applicable Laws, unless reemployment upon the expiration of such leave is guaranteed by contract or statute, or unless provided otherwise pursuant to a written Company policy. Also, Continuous Service Status as an Employee or Consultant shall not be considered interrupted or terminated in the case of a transfer between locations of the Company or between the Company, its Parents, Subsidiaries or Affiliates, or their respective successors, or a change in status from an Employee to a Consultant or from a Consultant to an Employee.

(p) "**Director**" means a member of the Board.

(q) "**Disability**" means "disability" within the meaning of Section 22(e)(3) of the Code.

(r) "**Employee**" means any person employed by the Company, or any Parent, Subsidiary or Affiliate, with the status of employment determined pursuant to such factors as are deemed appropriate by the Company in its sole discretion, subject to any requirements of Applicable Laws, including the Code. The payment by the Company of a director's fee shall not be sufficient to constitute "employment" of such director by the Company or any Parent, Subsidiary or Affiliate.

(s) "**Exchange Act**" means the Securities Exchange Act of 1934, as amended.

- (t) **“Fair Market Value”** means, as of any date, the per share fair market value of the Common Stock, as determined by the Administrator in good faith on such basis as it deems appropriate and applied consistently with respect to Participants. Whenever possible, the determination of Fair Market Value shall be based upon the per share closing price for the Shares as reported in The Wall Street Journal for the applicable date.
- (u) **“Family Members”** means any child, stepchild, grandchild, parent, stepparent, grandparent, spouse, former spouse, sibling, niece, nephew, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law (including adoptive relationships) of the Participant, any person sharing the Participant’s household (other than a tenant or employee), a trust in which these persons (or the Participant) have more than 50% of the beneficial interest, a foundation in which these persons (or the Participant) control the management of assets, and any other entity in which these persons (or the Participant) own more than 50% of the voting interests.
- (v) **“Incentive Stock Option”** means an Option intended to, and which does, in fact, qualify as an incentive stock option within the meaning of Section 422 of the Code.
- (w) **“Involuntary Termination”** means (unless another definition is provided in the applicable Option Agreement, Restricted Stock Purchase Agreement, employment agreement or other applicable written agreement) the termination of a Participant’s Continuous Service Status other than for (i) death, (ii) Disability or (iii) for Cause by the Company or a Parent, Subsidiary, Affiliate or successor thereto, as appropriate.
- (x) **“Listed Security”** means any security of the Company that is listed or approved for listing on a national securities exchange or designated or approved for designation as a national market system security on an interdealer quotation system by the Financial Industry Regulatory Authority (or any successor thereto).
- (y) **“Nonstatutory Stock Option”** means an Option that is not intended to, or does not, in fact, qualify as an Incentive Stock Option.
- (z) **“Option”** means a stock option granted pursuant to the Plan.
- (aa) **“Option Agreement”** means a written document, the form(s) of which shall be approved from time to time by the Administrator, reflecting the terms of an Option granted under the Plan and includes any documents attached to or incorporated into such Option Agreement, including, but not limited to, a notice of stock option grant and a form of exercise notice.
- (bb) **“Option Exchange Program”** means a program approved by the Administrator whereby outstanding Options (i) are exchanged for Options with a lower exercise price, Restricted Stock, cash or other property or (ii) are amended to decrease the exercise price as a result of a decline in the Fair Market Value.
- (cc) **“Optioned Stock”** means Shares that are subject to an Option or that were issued pursuant to the exercise of an Option.

(dd) "**Optionee**" means an Employee or Consultant who receives an Option.

(ee) "**Parent**" means any corporation (other than the Company) in an unbroken chain of corporations ending with the Company if, at the time of grant of the Award, each of the corporations other than the Company owns stock possessing 50% or more of the total combined voting power of all classes of stock in one of the other corporations in such chain. A corporation that attains the status of a Parent on a date after the adoption of the Plan shall be considered a Parent commencing as of such date.

(ff) "**Participant**" means any holder of one or more Awards or Shares issued pursuant to an Award.

(gg) "**Plan**" means this 2017 Stock Plan.

(hh) "**Restricted Stock**" means Shares acquired pursuant to a right to purchase or receive Common Stock granted pursuant to Section 8 below.

(ii) "**Restricted Stock Purchase Agreement**" means a written document, the form(s) of which shall be approved from time to time by the Administrator, reflecting the terms of Restricted Stock granted under the Plan and includes any documents attached to such agreement.

(jj) "**Rule 16b-3**" means Rule 16b-3 promulgated under the Exchange Act, as amended from time to time, or any successor provision.

(kk) "**Share**" means a share of Common Stock, as adjusted in accordance with Section 11 below.

(ll) "**Stock Exchange**" means any stock exchange or consolidated stock price reporting system on which prices for the Common Stock are quoted at any given time.

(mm) "**Subsidiary**" means any corporation (other than the Company) in an unbroken chain of corporations beginning with the Company if, at the time of grant of the Award, each of the corporations other than the last corporation in the unbroken chain owns stock possessing 50% or more of the total combined voting power of all classes of stock in one of the other corporations in such chain. A corporation that attains the status of a Subsidiary on a date after the adoption of the Plan shall be considered a Subsidiary commencing as of such date.

(nn) "**Ten Percent Holder**" means a person who owns stock representing more than 10% of the voting power of all classes of stock of the Company or any Parent or Subsidiary measured as of an Award's date of grant.

3. **Stock Subject to the Plan.** Subject to the provisions of Section 11 below, the maximum aggregate number of Shares that may be issued under the Plan is 2,007,498 Shares, all of which Shares may be issued under the Plan pursuant to Incentive Stock Options. The Shares issued under the Plan may be authorized, but unissued, or reacquired Shares. If an Award should expire or become unexercisable for any reason without having been exercised in full, or is surrendered pursuant to an Option Exchange Program, the unpurchased Shares that were subject thereto shall, unless the Plan shall have been terminated, become available for future grant under the Plan. In addition, any Shares which are retained by the Company upon exercise of an Award in order to satisfy the exercise or purchase price for such Award or any withholding taxes due with respect to such Award shall be treated as not issued and shall continue to be available under the Plan and Shares issued under the Plan and later forfeited to the Company due to the failure to vest or repurchased by the Company at the original purchase price paid to the Company for the Shares (including, without limitation, upon forfeiture to or repurchase by the Company in connection with the termination of a Participant's Continuous Service Status) shall again be available for future grant under the Plan.

4. **Administration of the Plan.**

(a) **General.** The Plan shall be administered by the Board, a Committee appointed by the Board, or any combination thereof, as determined by the Board. The Plan may be administered by different administrative bodies with respect to different classes of Participants and, if permitted by Applicable Laws, the Board may authorize one or more officers of the Company to make Awards under the Plan to Employees and Consultants (who are not subject to Section 16 of the Exchange Act) within parameters specified by the Board.

(b) **Committee Composition.** If a Committee has been appointed pursuant to this Section 4, such Committee shall continue to serve in its designated capacity until otherwise directed by the Board. From time to time the Board may increase the size of any Committee and appoint additional members thereof, remove members (with or without cause) and appoint new members in substitution therefor, fill vacancies (however caused) and dissolve a Committee and thereafter directly administer the Plan, all to the extent permitted by Applicable Laws and, in the case of a Committee administering the Plan in accordance with the requirements of Rule 16b-3 or Section 162(m) of the Code, to the extent permitted or required by such provisions.

(c) **Powers of the Administrator.** Subject to the provisions of the Plan and, in the case of a Committee, the specific duties delegated by the Board to such Committee, the Administrator shall have the authority, in its sole discretion:

- (i) to determine the Fair Market Value in accordance with Section 2(t) above, provided that such determination shall be applied consistently with respect to Participants under the Plan;
- (ii) to select the Employees and Consultants to whom Awards may from time to time be granted;
- (iii) to determine the number of Shares to be covered by each Award;
- (iv) to approve the form(s) of agreement(s) and other related documents used under the Plan;
- (v) to determine the terms and conditions, not inconsistent with the terms of the Plan, of any Award granted hereunder, which terms and conditions include but are not limited to the exercise or purchase price, the time or times when Awards may vest and/or be exercised (which may be based on performance criteria), the circumstances (if any) when vesting will be accelerated or forfeiture restrictions will be waived, and any restriction or limitation regarding any Award, Optioned Stock, or Restricted Stock;

(vi) to amend any outstanding Award or agreement related to any Optioned Stock or Restricted Stock, including any amendment adjusting vesting (e.g., in connection with a change in the terms or conditions under which such person is providing services to the Company), provided that no amendment shall be made that would materially and adversely affect the rights of any Participant without his or her consent;

(vii) to determine whether and under what circumstances an Option may be settled in cash under Section 7(c)(iii) below instead of Common Stock;

(viii) subject to Applicable Laws, to implement an Option Exchange Program and establish the terms and conditions of such Option Exchange Program without consent of the holders of Capital Stock, provided that no amendment or adjustment to an Option that would materially and adversely affect the rights of any Participant shall be made without his or her consent;

(ix) to approve addenda pursuant to Section 17 below or to grant Awards to, or to modify the terms of, any outstanding Option Agreement or Restricted Stock Purchase Agreement or any agreement related to any Optioned Stock or Restricted Stock held by Participants who are foreign nationals or employed outside of the United States with such terms and conditions as the Administrator deems necessary or appropriate to accommodate differences in local law, tax policy or custom which deviate from the terms and conditions set forth in this Plan to the extent necessary or appropriate to accommodate such differences; and

(x) to construe and interpret the terms of the Plan, any Option Agreement or Restricted Stock Purchase Agreement, and any agreement related to any Optioned Stock or Restricted Stock, which constructions, interpretations and decisions shall be final and binding on all Participants.

(d) **Indemnification.** To the maximum extent permitted by Applicable Laws, each member of the Committee (including officers of the Company, if applicable), or of the Board, as applicable, shall be indemnified and held harmless by the Company against and from (i) any loss, cost, liability, or expense that may be imposed upon or reasonably incurred by him or her in connection with or resulting from any claim, action, suit, or proceeding to which he or she may be a party or in which he or she may be involved by reason of any action taken or failure to act under the Plan or pursuant to the terms and conditions of any Award except for actions taken in bad faith or failures to act in bad faith, and (ii) any and all amounts paid by him or her in settlement thereof, with the Company's approval, or paid by him or her in satisfaction of any judgment in any such claim, action, suit, or proceeding against him or her, provided that such member shall give the Company an opportunity, at its own expense, to handle and defend any such claim, action, suit or proceeding before he or she undertakes to handle and defend it on his or her own behalf. The foregoing right of indemnification shall not be exclusive of any other rights of indemnification to which such persons may be entitled under the Company's Memorandum of Association or Bye-laws, by contract, as a matter of law, or otherwise including pursuant to the Bermuda Companies Act, or under any other power that the Company may have to indemnify or hold harmless each such person.

5. **Eligibility.**

(a) **Recipients of Grants.** Nonstatutory Stock Options and Restricted Stock may be granted to Employees and Consultants. Incentive Stock Options may be granted only to Employees, provided that Employees of Affiliates shall not be eligible to receive Incentive Stock Options.

(b) **Type of Option.** Each Option shall be designated in the Option Agreement as either an Incentive Stock Option or a Nonstatutory Stock Option.

(c) **ISO \$100,000 Limitation.** Notwithstanding any designation under Section 5(b) above, to the extent that the aggregate Fair Market Value of Shares with respect to which options designated as incentive stock options are exercisable for the first time by any Optionee during any calendar year (under all plans of the Company or any Parent or Subsidiary) exceeds \$100,000, such excess options shall be treated as nonstatutory stock options. For purposes of this Section 5(c), incentive stock options shall be taken into account in the order in which they were granted, and the Fair Market Value of the Shares subject to an incentive stock option shall be determined as of the date of the grant of such option.

(d) **No Employment Rights.** Neither the Plan nor any Award shall confer upon any Employee or Consultant any right with respect to continuation of an employment or consulting relationship with the Company (any Parent, Subsidiary or Affiliate), nor shall it interfere in any way with such Employee's or Consultant's right or the Company's (Parent's, Subsidiary's or Affiliate's) right to terminate his or her employment or consulting relationship at any time, with or without cause.

6. **Term of Plan.** The Plan shall become effective upon its adoption by the Board and shall continue in effect for a term of 10 years unless sooner terminated under Section 13 below.

7. **Options.**

(a) **Term of Option.** The term of each Option shall be the term stated in the Option Agreement; provided that the term shall be no more than 10 years from the date of grant thereof or such shorter term as may be provided in the Option Agreement and provided further that, in the case of an Incentive Stock Option granted to a person who at the time of such grant is a Ten Percent Holder, the term of the Option shall be 5 years from the date of grant thereof or such shorter term as may be provided in the Option Agreement.

(b) **Option Exercise Price and Consideration.**

(i) **Exercise Price.** The per Share exercise price for the Shares to be issued pursuant to the exercise of an Option shall be such price as is determined by the Administrator and set forth in the Option Agreement, but shall be subject to the following:

(1) In the case of an Incentive Stock Option

- a. granted to an Employee who at the time of grant is a Ten Percent Holder, the per Share exercise price shall be no less than 110% of the Fair Market Value on the date of grant;
- b. granted to any other Employee, the per Share exercise price shall be no less than 100% of the Fair Market Value on the date of grant;

(2) Except as provided in subsection (3) below, in the case of a Nonstatutory Stock Option the per Share exercise price shall be such price as is determined by the Administrator, provided that, if the per Share exercise price is less than 100% of the Fair Market Value on the date of grant, it shall otherwise comply with all Applicable Laws, including Section 409A of the Code; and

(3) Notwithstanding the foregoing, Options may be granted with a per Share exercise price other than as required above pursuant to a merger or other corporate transaction.

(ii) **Permissible Consideration.** The consideration to be paid for the Shares to be issued upon exercise of an Option, including the method of payment, shall be determined by the Administrator (and, in the case of an Incentive Stock Option and to the extent required by Applicable Laws, shall be determined at the time of grant) and may consist entirely of (1) cash; (2) check; (3) to the extent permitted under, and in accordance with, Applicable Laws, delivery of a promissory note with such recourse, interest, security and redemption provisions as the Administrator determines to be appropriate (subject to the provisions of Section 152 of the Delaware General Corporation Law); (4) cancellation of indebtedness; (5) other previously owned Shares that have a Fair Market Value on the date of surrender equal to the aggregate exercise price of the Shares as to which the Option is exercised; (6) a Cashless Exercise; (7) such other consideration and method of payment permitted under Applicable Laws; or (8) any combination of the foregoing methods of payment. In making its determination as to the type of consideration to accept, the Administrator shall consider if acceptance of such consideration may be reasonably expected to benefit the Company and the Administrator may, in its sole discretion, refuse to accept a particular form of consideration at the time of any Option exercise.

(c) **Exercise of Option.**

(i) **General.**

(1) **Exercisability.** Any Option granted hereunder shall be exercisable at such times and under such conditions as determined by the Administrator, consistent with the terms of the Plan and reflected in the Option Agreement, including vesting requirements and/or performance criteria with respect to the Company, and Parent, Subsidiary or Affiliate, and/or the Optionee, provided that the exercise of any Option shall not be permitted unless the Administrator is satisfied at the relevant time that such exercise would not be a breach of any share dealing or other corporate governance code adopted by the Company from time to time.

(2) **Leave of Absence.** The Administrator shall have the discretion to determine whether and to what extent the vesting of Options shall be tolled during any leave of absence; provided, however, that in the absence of such determination, vesting of Options shall be tolled during any leave (unless otherwise required by Applicable Laws). Notwithstanding the foregoing, in the event of military leave, vesting shall toll during any unpaid portion of such leave, provided that, upon an Optionee's returning from military leave (under conditions that would entitle him or her to protection upon such return under the Uniform Services Employment and Reemployment Rights Act), he or she shall be given vesting credit with respect to Options to the same extent as would have applied had the Optionee continued to provide services to the Company (or any Parent, Subsidiary or Affiliate, if applicable) throughout the leave on the same terms as he or she was providing services immediately prior to such leave.

(3) **Minimum Exercise Requirements.** An Option may not be exercised for a fraction of a Share. The Administrator may require that an Option be exercised as to a minimum number of Shares, provided that such requirement shall not prevent an Optionee from exercising the full number of Shares as to which the Option is then exercisable.

(4) **Procedures for and Results of Exercise.** An Option shall be deemed exercised when written notice of such exercise has been received by the Company in accordance with the terms of the Option Agreement by the person entitled to exercise the Option and the Company has received full payment for the Shares with respect to which the Option is exercised and has paid, or made arrangements to satisfy, any applicable taxes, withholding, required deductions or other required payments in accordance with Section 9 below. The exercise of an Option shall result in a decrease in the number of Shares that thereafter may be available, both for purposes of the Plan and for sale under the Option, by the number of Shares as to which the Option is exercised.

(5) **Rights as Holder of Capital Stock.** Until the issuance of the Shares (as evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company), no right to vote or receive dividends or any other rights as a holder of capital stock (if any) shall exist with respect to the Optioned Stock, notwithstanding the exercise of the Option. No adjustment will be made for a dividend or other right for which the record date is prior to the date the share certificate is issued, except as provided in Section 11 below.

(ii) **Termination of Continuous Service Status.** The Administrator shall establish and set forth in the applicable Option Agreement the terms and conditions upon which an Option shall remain exercisable, if at all, following termination of an Optionee's Continuous Service Status, which provisions may be waived or modified by the Administrator at any time. To the extent that an Option Agreement does not specify the terms and conditions upon which an Option shall terminate upon termination of an Optionee's Continuous Service Status, the following provisions shall apply:

(1) **General Provisions.** If the Optionee (or other person entitled to exercise the Option) does not exercise the Option to the extent so entitled within the time specified below, the Option shall terminate and the Optioned Stock underlying the unexercised portion of the Option shall revert to the Plan. In no event may any Option be exercised after the expiration of the Option term as set forth in the Option Agreement (and subject to this Section 7).



(2) **Termination other than Upon Disability or Death or for Cause.** In the event of termination of an Optionee's Continuous Service Status other than under the circumstances set forth in the subsections (3) through (5) below, such Optionee may exercise any outstanding Option at any time within 3 months following such termination to the extent the Optionee is vested in the Optioned Stock on the date of such termination.

(3) **Disability of Optionee.** In the event of termination of an Optionee's Continuous Service Status as a result of his or her Disability, such Optionee may exercise any outstanding Option at any time within 12 months following such termination to the extent the Optionee is vested in the Optioned Stock on the date of such termination.

(4) **Death of Optionee.** In the event of the death of an Optionee during the period of Continuous Service Status since the date of grant of any outstanding Option, or within 3 months following termination of the Optionee's Continuous Service Status, the Option may be exercised by any beneficiaries designated in accordance with Section 15 below, or if there are no such beneficiaries, by the Optionee's estate, or by a person who acquired the right to exercise the Option by bequest or inheritance, at any time within 12 months following the date the Optionee's Continuous Service Status terminated, but only to the extent the Optionee is vested in the Optioned Stock on the date of such termination.

(5) **Termination for Cause.** In the event of termination of an Optionee's Continuous Service Status for Cause, any outstanding Option (including any vested portion thereof) held by such Optionee shall immediately terminate in its entirety upon first notification to the Optionee of termination of the Optionee's Continuous Service Status for Cause. If an Optionee's Continuous Service Status is suspended pending an investigation of whether the Optionee's Continuous Service Status will be terminated for Cause, all the Optionee's rights under any Option, including the right to exercise the Option, shall be suspended during the investigation period. Nothing in this Section 7(c)(ii)(5) shall in any way limit the Company's right to purchase unvested Shares issued upon exercise of an Option as set forth in the applicable Option Agreement.

(iii) **Buyout Provisions.** The Administrator may at any time offer to buy out for a payment in cash or Shares an Option previously granted under the Plan based on such terms and conditions as the Administrator shall establish and communicate to the Optionee at the time that such offer is made.

8. **Restricted Stock.**

(a) **Rights to Purchase.** When a right to purchase or receive Restricted Stock is granted under the Plan, the Company shall advise the recipient in writing of the terms, conditions and restrictions related to the offer, including the number of Shares that such person shall be entitled to purchase, the price to be paid, if any (which shall be as determined by the Administrator, subject to Applicable Laws, including any applicable securities laws), and the time within which such person must accept such offer. The permissible consideration for Restricted Stock shall be determined by the Administrator and shall be the same as is set forth in Section 7(b)(ii) above with respect to exercise of Options. Any restrictions on the grant and/or exercise of Options shall also apply to the right to purchase or receive Restricted Stock. The offer to purchase Shares shall be accepted by execution of a Restricted Stock Purchase Agreement in the form determined by the Administrator.

(b) **Repurchase Option.**

(i) **General.** Unless the Administrator determines otherwise, the Restricted Stock Purchase Agreement shall grant the Company a repurchase option exercisable upon the voluntary or involuntary termination of the Participant's Continuous Service Status for any reason (including death or Disability) at a purchase price for Shares equal to the original purchase price paid by the purchaser to the Company for such Shares and may be paid by cancellation of any indebtedness of the purchaser to the Company. The repurchase option shall lapse at such rate as the Administrator may determine.

(ii) **Leave of Absence.** The Administrator shall have the discretion to determine whether and to what extent the lapsing of Company repurchase rights shall be tolled during any leave of absence; provided, however, that in the absence of such determination, such lapsing shall be tolled during any leave (unless otherwise required by Applicable Laws). Notwithstanding the foregoing, in the event of military leave, the lapsing of Company repurchase rights shall toll during any unpaid portion of such leave, provided that, upon a Participant's returning from military leave (under conditions that would entitle him or her to protection upon such return under the Uniform Services Employment and Reemployment Rights Act), he or she shall be given vesting credit with respect to Shares purchased pursuant to the Restricted Stock Purchase Agreement to the same extent as would have applied had the Participant continued to provide services to the Company (or any Parent, Subsidiary or Affiliate, if applicable) throughout the leave on the same terms as he or she was providing services immediately prior to such leave.

(c) **Other Provisions.** The Restricted Stock Purchase Agreement shall contain such other terms, provisions and conditions not inconsistent with the Plan as may be determined by the Administrator in its sole discretion. In addition, the provisions of Restricted Stock Purchase Agreements need not be the same with respect to each Participant.

(d) **Rights as a Holder of Capital Stock.** Once the Restricted Stock is purchased, the Participant shall have the rights equivalent to those of a holder of capital stock, and shall be a record holder when his or her purchase and the issuance of the Shares is entered upon the records of the duly authorized transfer agent of the Company. No adjustment will be made for a dividend or other right for which the record date is prior to the date the Restricted Stock is purchased, except as provided in Section 11 below.

9. Taxes.

(a) As a condition of the grant, vesting and exercise of an Award, the Participant (or in the case of the Participant's death or a permitted transferee, the person holding or exercising the Award) shall make such arrangements as the Administrator may require for the satisfaction of any applicable U.S. federal, state, local or foreign tax, withholding, and any other required deductions or payments that may arise in connection with such Award. The Company shall not be required to issue any Shares under the Plan until such obligations are satisfied.

(b) The Administrator may, to the extent permitted under Applicable Laws, permit a Participant (or in the case of the Participant's death or a permitted transferee, the person holding or exercising the Award) to satisfy all or part of his or her tax, withholding, or any other required deductions or payments by Cashless Exercise or by surrendering Shares (either directly or by stock attestation) that he or she previously acquired; provided that, unless specifically permitted by the Company, any such Cashless Exercise must be an approved broker-assisted Cashless Exercise or the Shares withheld in the Cashless Exercise must be limited to avoid financial accounting charges under applicable accounting guidance and any such surrendered Shares must have been previously held for any minimum duration required to avoid financial accounting charges under applicable accounting guidance. Any payment of taxes by surrendering Shares to the Company may be subject to restrictions, including, but not limited to, any restrictions required by rules of the Securities and Exchange Commission.

10. Non-Transferability of Awards.

(a) General. Except as set forth in this Section 10, Awards may not be sold, pledged, assigned, hypothecated, transferred or disposed of in any manner other than by will or by the laws of descent or distribution. The designation of a beneficiary by a Participant will not constitute a transfer. An Option may be exercised, during the lifetime of the holder of the Option, only by such holder or a transferee permitted by this Section 10.

(b) Limited Transferability Rights. Notwithstanding anything else in this Section 10, the Administrator may in its sole discretion provide that any Nonstatutory Stock Options may be transferred by instrument to an inter vivos or testamentary trust in which the Options are to be passed to beneficiaries upon the death of the trustor (settlor) or by gift to Family Members. Further, beginning with (i) the period when the Company begins to rely on the exemption described in Rule 12h-1(f)(1) promulgated under the Exchange Act, as determined by the Board in its sole discretion, and (ii) ending on the earlier of (A) the date when the Company ceases to rely on such exemption, as determined by the Board in its sole discretion, or (B) the date when the Company becomes subject to the reporting requirements of Section 13 or 15(d) of the Exchange Act, (1) a Nonstatutory Stock Option, or prior to exercise, the Shares subject to a Nonstatutory Stock Option, may not be pledged, hypothecated or otherwise transferred or disposed of, in any manner, including by entering into any short position, any "put equivalent position" or any "call equivalent position" (as defined in Rule 16a-1(h) and Rule 16a-1(b) of the Exchange Act, respectively) and (2) an Incentive Stock Option may not be transferred or disposed of by will or the laws of descent or distribution, other than to (i) persons who are Family Members through gifts or domestic relations orders, or (ii) to an executor or guardian of the Participant upon the death or disability of the Participant. Notwithstanding the foregoing sentence, the Board, in its sole discretion, may permit transfers of Nonstatutory Stock Options to the Company or in connection with a Change in Control or other acquisition transactions involving the Company to the extent permitted by Rule 12h-1(f).

11. **Adjustments Upon Changes in Capitalization, Merger or Certain Other Transactions.**

(a) **Changes in Capitalization.** To the extent required under Applicable Laws, (i) the numbers and class of Shares or other shares or securities: (x) available for future Awards under Section 3 above and (y) covered by each outstanding Award, (ii) the exercise price per Share of each such outstanding Option, and (iii) any repurchase price per Share applicable to Shares issued pursuant to any Award, may be adjusted by the Administrator in the event of a shares split, reverse shares split, shares dividend, combination, consolidation, reclassification of the Shares or subdivision of the Shares. In the event of any increase or decrease in the number of issued Shares effected without receipt of consideration by the Company, a declaration of an extraordinary dividend with respect to the Shares payable in a form other than Shares in an amount that has a material effect on the Fair Market Value, a recapitalization (including a recapitalization through a large nonrecurring cash dividend), a rights offering, a reorganization, amalgamation, merger, spin-off, split-up, change in corporate structure or a similar occurrence, the Administrator may make appropriate adjustments, in its discretion, in one or more of (i) the numbers and class of Shares or other shares or securities: (x) available for future Awards under Section 3 above and (y) covered by each outstanding Award, (ii) the exercise price per Share of each outstanding Option and (iii) any repurchase price per Share applicable to Shares issued pursuant to any Award, and any such adjustment by the Administrator shall be made in the Administrator's sole and absolute discretion and shall be final, binding and conclusive. Except as expressly provided herein, no issuance by the Company of shares of stock of any class, or securities convertible into shares of stock of any class, shall affect, and no adjustment by reason thereof shall be made with respect to, the number or price of Shares subject to an Award. If, by reason of a transaction described in this Section 11(a) or an adjustment pursuant to this Section 11(a), a Participant's Award agreement or agreement related to any Optioned Stock or Restricted Stock covers additional or different shares or securities, then such additional or different classes of shares, and the Award agreement or agreement related to the Optioned Stock or Restricted Stock in respect thereof, shall be subject to all of the terms, conditions and restrictions which were applicable to the Award, Optioned Stock and Restricted Stock prior to such adjustment.

(b) **Dissolution or Liquidation.** In the event of the dissolution or liquidation of the Company, each Award will terminate immediately prior to the consummation of such action, unless otherwise determined by the Administrator.

(c) **Corporate Transactions.** In the event of (i) a transfer of all or substantially all of the Company's assets, (ii) a merger, amalgamation, consolidation or other capital reorganization or business combination transaction of the Company with or into another corporation, entity or person, or (iii) the consummation of a transaction, or series of related transactions, in which any "person" (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) becomes the "beneficial owner" (as defined in Rule 13d-3 of the Exchange Act), directly or indirectly, of more than 50% of the Company's then outstanding capital stock (a "Corporate Transaction"), each outstanding Award (vested or unvested) will be treated as the Administrator determines (subject to the last sentence of this paragraph), which determination may be made without the consent of any Participant and need not treat all outstanding Awards (or portion thereof) in an identical manner. Such determination, without the consent of any Participant, may provide (without limitation) for one or more of the following in the event of a Corporate Transaction: (A) the continuation of such outstanding Awards by the Company (if the Company is the surviving corporation); (B) the assumption of such outstanding Awards by the surviving corporation or its parent; (C) the substitution by the surviving corporation or its parent of new options or equity awards for such Awards; (D) the cancellation of such Awards and a payment to the Participants equal to the excess of (1) the Fair Market Value of the Shares subject to such Awards as of the closing date of such Corporate Transaction over (2) the exercise price or purchase price for the Shares to be issued pursuant to the exercise of such Awards (such payment shall be made in the form of cash, cash equivalents and/or securities of the surviving corporation or its parent with a Fair Market Value equal to the required amount; if the exercise price or purchase price per Share of the Shares to be issued pursuant to the exercise of such Awards exceeds the Fair Market Value per Share of such Shares, as of the closing date of the Corporate Transaction, then such Awards may be cancelled without making a payment to the Participants); or (E) the cancellation of any outstanding Options or an outstanding right to purchase Restricted Stock, in either case, for no consideration. Notwithstanding anything stated herein or in any other agreement to the contrary, whether such agreement was entered into before or after the date this Plan is effective, if any Award, or any agreement applicable to any Award, provides for accelerated vesting in connection with any termination of service that occurs on or after a Corporate Transaction, and the successor does not agree to assume the Award, or to substitute an equivalent award or right for the Award, then any acceleration of vesting that would otherwise occur upon such termination of service shall occur immediately prior to, and contingent upon, the consummation of such Corporate Transaction.

12. **Time of Granting Awards.** The date of grant of an Award shall, for all purposes, be the date on which the Administrator makes the determination granting such Award, or such other date as is determined by the Administrator, provided that the grant of an Award shall not be permitted unless the Administrator is satisfied at the relevant time that such grant would not be a breach of any share dealing or other corporate governance code adopted by the Company from time to time.

13. **Amendment and Termination of the Plan.** The Board may at any time amend or terminate the Plan, but no amendment or termination shall be made that would materially and adversely affect the rights of any Participant under any outstanding Award, without his or her consent. In addition, to the extent necessary and desirable to comply with Applicable Laws, the Company shall obtain the approval of holders of capital stock with respect to any Plan amendment in such a manner and to such a degree as required.

14. **Conditions Upon Issuance of Shares.** Notwithstanding any other provision of the Plan or any agreement entered into by the Company pursuant to the Plan, the Company shall not be obligated, and shall have no liability for failure, to issue or deliver any Shares under the Plan unless such issuance or delivery would comply with Applicable Laws, with such compliance determined by the Company in consultation with its legal counsel. As a condition to the exercise of any Option or purchase of any Restricted Stock, the Company may require the person exercising the Option or purchasing the Restricted Stock to represent and warrant at the time of any such exercise or purchase that the Shares are being purchased only for investment and without any present intention to sell or distribute such Shares if, in the opinion of counsel for the Company, such a representation is advisable or required by Applicable Laws. Shares issued upon exercise of Options or purchase of Restricted Stock prior to the date, if ever, on which the Common Stock becomes a Listed Security shall be subject to a right of first refusal in favor of the Company pursuant to which the Participant will be required to offer Shares to the Company before selling or transferring them to any third party on such terms and subject to such conditions as is reflected in the applicable Option Agreement or Restricted Stock Purchase Agreement.

15. **Beneficiaries.** If permitted by the Company, a Participant may designate one or more beneficiaries with respect to an Award by timely filing the prescribed form with the Company. A beneficiary designation may be changed by filing the prescribed form with the Company at any time before the Participant's death. Except as otherwise provided in an Award Agreement, if no beneficiary was designated or if no designated beneficiary survives the Participant, then after a Participant's death any vested Award(s) shall be transferred or distributed to the Participant's estate or to any person who has the right to acquire the Award by bequest or inheritance.

16. **Approval of Holders of Capital Stock.** If required by Applicable Laws, continuance of the Plan shall be subject to approval by the holders of capital stock of the Company within 12 months before or after the date the Plan is adopted or, to the extent required by Applicable Laws, any date the Plan is amended. Such approval shall be obtained in the manner and to the degree required under Applicable Laws.

17. **Addenda.** The Administrator may approve such addenda to the Plan as it may consider necessary or appropriate for the purpose of granting Awards to Employees or Consultants, which Awards may contain such terms and conditions as the Administrator deems necessary or appropriate to accommodate differences in local law, tax policy or custom, which may deviate from the terms and conditions set forth in this Plan. The terms of any such addenda shall supersede the terms of the Plan to the extent necessary to accommodate such differences but shall not otherwise affect the terms of the Plan as in effect for any other purpose.

18. **Information to Holders of Options.** In the event the Company is relying on the exemption provided by Rule 12h-1(f) under the Exchange Act, the Company shall provide the information described in Rule 701(e)(3), (4) and (5) of the Securities Act of 1933, as amended, to all holders of Options in accordance with the requirements thereunder until such time as the Company becomes subject to the reporting requirements of Section 13 or 15(d) of the Exchange Act. The Company may request that holders of Options agree to keep the information to be provided pursuant to this Section confidential. If the holder of Options does not agree to keep the information to be provided pursuant to this Section confidential, then the Company will not be required to provide the information unless otherwise required pursuant to Rule 12h-1(f)(1) of the Exchange Act.

**ADDENDUM A**

**2017 Stock Plan**

*(California Participants)*

Prior to the date, if ever, on which the Common Stock becomes a Listed Security and/or the Company is subject to the reporting requirements of the Exchange Act, the terms set forth herein shall apply to Awards issued to California Participants. All capitalized terms used herein but not otherwise defined shall have the respective meanings set forth in the Plan.

1. The following rules shall apply to any Option in the event of termination of the Participant's Continuous Service Status:

(a) If such termination was for reasons other than death, "Permanent Disability" (as defined below), or Cause, the Participant shall have at least 30 days after the date of such termination to exercise his or her Option to the extent the Participant is entitled to exercise on his or her termination date, provided that in no event shall the Option be exercisable after the expiration of the term as set forth in the Option Agreement.

(b) If such termination was due to death or Permanent Disability, the Participant shall have at least 6 months after the date of such termination to exercise his or her Option to the extent the Participant is entitled to exercise on his or her termination date, provided that in no event shall the Option be exercisable after the expiration of the term as set forth in the Option Agreement.

"Permanent Disability" for purposes of this Addendum shall mean the inability of the Participant, in the opinion of a qualified physician acceptable to the Company, to perform the major duties of the Participant's position with the Company or any Parent or Subsidiary because of the sickness or injury of the Participant.

2. Notwithstanding anything to the contrary in Section 11(a) of the Plan, the Administrator shall in any event make such adjustments as may be required by Section 25102(o) of the California Corporations Code.

3. Notwithstanding anything stated herein to the contrary, no Option shall be exercisable on or after the 10th anniversary of the date of grant and any Award agreement shall terminate on or before the 10th anniversary of the date of grant.

4. The Company shall furnish summary financial information (audited or unaudited) of the Company's financial condition and results of operations, consistent with the requirements of Applicable Laws, at least annually to each California Participant during the period such Participant has one or more Awards outstanding, and in the case of an individual who acquired Shares pursuant to the Plan, during the period such Participant owns such Shares; provided, however, the Company shall not be required to provide such information if (i) the issuance is limited to key persons whose duties in connection with the Company assure their access to equivalent information or (ii) the Plan or any agreement complies with all conditions of Rule 701 of the Securities Act of 1933, as amended; provided that for purposes of determining such compliance, any registered domestic partner shall be considered a "family member" as that term is defined in Rule 701.

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**Profit Share Agreement**

This Profit Share Agreement ("Agreement") is made effective as of June 30, 2016 ("Effective Date") by and between DGS Ltd., an exempted Bermuda company ("Company"), and Jeffrey Cox, an individual with a residential address at 2572 Saddleback Ct, Castle Rock, CO, 80104-7542 USA ("Cox").

WHEREAS Cox is the historical owner of 3,871,836 common shares of Digital Globe Services Limited ("DGS Oldco Shares");

WHEREAS, Cox has exchanged his DGS Oldco Shares for 3,871,836 common shares of the Company ("DGS Newco Shares");

WHEREAS, Cox and the Company expect to conclude a further share exchange whereby Cox will exchange his DGS Newco Shares in exchange for the issuance of 360,184 common shares of Forward March Limited, an exempted Bermuda company ("FM")(with such further share exchange being the "Share Exchange").

WHEREAS, upon the conclusion of the Share Exchange, the parties hereto desire to have Cox receive a share of any cash dividends actually paid by the Company to FM (which, following the conclusion of the Share Exchange, will be the owner of 100% of the issued share capital of the Company);

NOW THEREFORE, the parties agree as follows:

1. **Services.** During the term of Cox's employment with Digital Globe Services Inc., a Delaware company ("DGS US"), Cox shall, upon the Company's request, serve as an executive officer and/or director of the Company, and render duties to the Company associated with such position(s) (collectively, the "Services").
2. **Standard of Conduct.** In performing any Services, Cox agrees to the following standard of conduct:
  - a. Cox shall comply with all written policies of the Company existing as of the Effective Date and as may be later modified or terminated by the Company in the future in its sole discretion ("Company Policies"). All Company Policies will be made available to Cox upon request.
  - b. Cox shall at all times comply with all applicable laws and regulations.
3. **Fees.** In exchange for Cox's provision of Services, Cox shall be entitled to receive a fee equal to 13.93% of any cash dividends actually paid by the Company to FM (the "Fees"). All Fees shall be paid to Cox by the end of the month immediately following the month in which such Fees have been earned under this Agreement.



4. Term and Termination. The "Term" of this Agreement shall commence on the date that the Share Exchange is completed and shall continue until the earlier to occur of: (i) the satisfaction of any dividend preference on preferred shares issued by FM; (ii) the conversion of all preferred shares issued by FM into common shares of FM; (iii) a sale of substantially all the assets of the Company or its direct or indirect subsidiaries to an unaffiliated third party; (iv) a sale of all of the shares held by FM in any of DGS Ltd., IBEX Global Limited, and Etelequote Limited (the "Other Portfolio Companies") to an unaffiliated third party; (v) a sale of substantially all of the assets held by any of the Other Portfolio Companies to an unaffiliated third party; and (vi) June 30, 2018.

In the event of a termination of this Agreement for any reason, Company shall pay Cox for any Fees that were earned by Contractor up through the termination date in accordance with the terms of Section 4 and shall not be entitled to earn any Fees after the termination date, provided that, if this agreement is terminated pursuant to section 4 (vi), the Company and Cox shall negotiate in good faith a potential extension of the Term of this Agreement.

5. Relationship of the Parties. It is understood by the parties that Cox is an independent contractor with respect to Company, and not an employee of Company. Company will not, by virtue of this Agreement, provide fringe benefits, including health insurance benefits, paid vacation, or any other employee benefit, for the benefit of Cox or any of its employees, agents, or principals. Cox shall be solely responsible for reporting any Fees received hereunder to the appropriate tax authorities, as well as for the payment of any taxes associated with the payment of such Fees, and shall indemnify and hold harmless the Company against any claim arising out or related to any of the foregoing tax reporting and payment obligations.

6. Miscellaneous.

- a. Any notice to be delivered under this Agreement must be sent to the following emails, delivery receipt requested, in order to be deemed a valid written notice under this Agreement. Such notices shall be deemed delivered: (i) as of the date of the delivery receipt; (ii) or, if no delivery receipt is given within 48 hours of sending the email, the date of the second business day after the date of sending:

If to Company:

Pat.costello@trgworld.com

If to Cox:

Jeff.Cox@dgsworld.com

Or to such other address as a party may provide in written notice to the other party.

b. No waiver of any provision of this Agreement shall be effective by the Company unless set forth in a writing executed by the Company. Company may assign this agreement upon providing notice thereof to Cox. All remedies set forth in this Agreement are cumulative to any other remedies a party may have under applicable law. This Agreement constitutes the entire agreement between the parties concerning the subject matter hereof. The parties agree that all understandings, oral agreements, and representations made prior to the full execution of this Agreement are void and/or are superseded by this Agreement. This Agreement cannot be modified, changed, or amended, except in a writing signed by the parties. This Agreement shall be governed by the laws of the District of Columbia, regardless of conflict of law principles. Contractor hereby consents to the jurisdiction of the federal and state courts of the District of Columbia for any disputes arising out of this Agreement. The parties agree to resolve disputes arising out of or relating to this Agreement pursuant to the Direct Dialogue Program attached hereto as Exhibit A. This Agreement may be executed in counterparts and delivered by electronic mail or facsimile.

IN WITNESS HEREOF, the parties have agreed to enter into this Agreement as of the Effective Date by affixing their signatures as set forth below:

**DGS LTD.**

**JEFFREY COX**

/s/ Zia Chishti  
Zia Chishti  
Director

/s/



**DIRECT DIALOGUE PROGRAM  
AND  
MUTUAL AGREEMENT TO MEDIATE/ARBITRATE**

**A New Way to Resolve Workplace Problems**

We understand that problems can occur even in the best companies. Our Direct Dialogue Program (“Program”) helps us resolve differences together in a timely and objective manner. At the same time, it provides a process that protects your legal rights. At DGS Ltd. (the “Company”), we are committed to building strong working relationships. We do that in many ways, including this Program.

**INTERNAL PROCESS**

**Step 1: Open Communication With Your Direct Contact at the Company**

At our company, the door is always open. The Program builds on our foundation of trust by defining a process that encourages you (sometimes referred to herein as “Employee”) to first talk to the right person, a person who can help when you have a work-related question or concern. Often, questions you have can be answered quickly if you talk to your direct contact at the Company (here, Zia Chishti, a member of the Board of Directors) as a first step in resolving a work-related problem. Your direct contact wants to keep our company running smoothly, and that includes quickly and fairly addressing any concerns that arise.

**Step 2: Communication with the Company’s Internal Counsel**

If you have already talked with your direct contact and still feel that your question has not been answered to your satisfaction, or if you feel that your direct contact is not the appropriate person to help with a work-related question or concern, you can request that the internal counsel get involved. Such internal counsel can be contacted by calling 516-305-3839 or emailing [pat.costello@trgworld.com](mailto:pat.costello@trgworld.com). The role of internal counsel here is to facilitate discussion and problem-solving. The internal counsel will listen to your input and seek to find a mutually acceptable resolution, if possible. The internal counsel will not act as your lawyer. The internal counsel is the lawyer for the company.

**MEDIATION AND ARBITRATION - GENERAL**

**What Claims Are Subject to Mediation and Arbitration?**

The claims covered by this Program and the Agreement to Arbitrate below (“Agreement”) pertain to any disputes arising out of your employment or termination of employment with the Company (including claims against employees, Officers, and Directors of the Company and its affiliates arising out of or related to any disputes, and include, but are not limited to, the following: claims for wages or other compensation due; claims for breach of any contract or covenant (express or implied); tort claims; claims for discrimination (including, but not limited to, discrimination based on race, gender, sexual orientation, religion, national origin, age, pregnancy, marital status, or medical condition, handicap or disability; including any claims covered by Title VII of the Civil Rights Act of 1964, the ADA, the ADEA, the FMLA and the FLSA); claims for retaliation; physical, mental or psychological injury, (arising out of your employment or termination of employment); claims for benefits (except where an employee benefit or retirement plan specifies that its claims procedure shall culminate in an arbitration procedure different from this one); claims for violations of local laws governing employment relations; and claims for violation of any other federal, state or other governmental law, statute, regulation, or ordinance, except claims excluded below.

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It is specifically agreed that the claims covered by this Program and Agreement include any claims of spouses or descendants of the Employee that would otherwise be covered by this Program and Agreement if it were a claim of the Employee.

**Claims Not Covered by this Program and Agreement**

The Program and Agreement do not apply to claims for Workers' Compensation Benefits; claims for unemployment benefits; administrative claims before the National Labor Relations Board, the Equal Employment Opportunity Commission or any parallel state or local agency. Participation in any administrative proceeding by the Company shall not affect the applicability of this Program or Agreement upon termination of the administrative proceeding; criminal complaints; and/or actions by the Company for injunctive and/or other equitable relief, including but not limited to claims for unfair competition and/or the use and/or unauthorized disclosure of trade secrets or confidential information, as to which Employee understands and agrees that the Company may seek and obtain relief from a court of competent jurisdiction.

**Filing and Fees**

The American Arbitration Association (AAA) charges a fee for filing a request for mediation/arbitration. In addition to this filing fee, a fee must be paid to the mediator/arbitrator for his or her services. *If you request mediation/arbitration, your share of these fees will be 50% of such total fees.* All fee payments are processed through the AAA.

**Mediation**

The AAA will work with you and the Company to find a time and place that is convenient for all parties to meet as a group or, individually, with the mediator. The mediator will listen to both sides of the story, ask questions and help the parties focus on the strengths and weaknesses of their positions.

**Arbitration**

If either party has a covered problem that has not been resolved through our internal process, including mediation, the party can request arbitration, which is a process where both you and the Company have an impartial, outside party make a final decision that is binding on you and the Company. Arbitration is a process in which a skilled arbitrator (similar to a judge) hears both sides of the situation and then makes a final and binding decision. Decisions by the arbitrator are generally made according to the same principles of law that control decisions by courts. Arbitrators can award the same damages or remedies as a court of law. By accepting employment and/or continuing your employment with the Company, you agree to be bound by the Agreement to Arbitrate set forth below.

In certain cases, attorney fees and other expenses may be assessed against either you or the Company. For example, the arbitrator may assess attorney fees against you or the Company if either party makes a claim that is frivolous, or is factually or legally groundless, or if there is a written agreement that provides for a payment of attorney fees.

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## AGREEMENT TO ARBITRATE

### A. Mutual Consent

*The Company and Employee mutually consent to the resolution, by final and binding arbitration, of any and all claims or controversies ("claim") that the Company may have against Employee or that Employee may have against the Company or its officers, directors, partners, owners, employees or agents in their capacity as such or otherwise, whether or not arising out of the employment relationship (or its termination), including but not limited to, any claims arising out of or related to this Agreement to Arbitrate (this "Agreement") or the breach thereof.*

*The claims shall be settled exclusively by binding arbitration in accordance with the Employment Dispute Resolution Rules of the American Arbitration Association ("AAA"), and judgment upon the award rendered by the arbitrator may be entered in any court having jurisdiction thereof.*

**THE COMPANY AND EMPLOYEE FULLY UNDERSTAND THAT, ABSENT THIS AGREEMENT, LEGAL CLAIMS BETWEEN THEM COULD BE RESOLVED THROUGH THE COURTS AND A JURY, BUT THE PARTIES EXPRESSLY AGREE TO FOREGO THE TRADITIONAL LITIGATION SYSTEM IN FAVOR OF BINDING ARBITRATION.**

### B. Arbitration Rules and Applicable Law

The Parties agree that the Federal Arbitration Act ("FAA") will govern this Agreement to Arbitrate ("Agreement") and the interpretation and enforcement of the arbitration proceeding, including any actions to compel, enforce, vacate, or confirm proceedings, awards or orders issued by the Arbitrator. Proceedings under this Agreement will be administered by the AAA pursuant to its National Rules for the Resolution of Employment Disputes, except as provided in this Agreement. Except as provided in this Agreement or the AAA rules, the Arbitrator shall apply the state or federal law which would be applied by a federal court of competent jurisdiction, including laws establishing burdens of proof. This Agreement does not enlarge substantive rights of either party available under existing law.

### C. Initiation of Arbitration and Time Limits

A party may initiate arbitration proceedings under this Agreement by serving a written Request for Arbitration on AAA forms. The Request for Arbitration must describe the nature of the dispute and the specific remedy sought, and must be simultaneously mailed to all other parties to the dispute. Alternatively, employees of the Company may initiate arbitration proceedings by submitting a written Request for Arbitration (see attached form) to the Company's internal counsel, who will promptly forward the Request to AAA. A Request for Arbitration must be filed within one (1) year of the date when the dispute first arose, unless the claim arises under a specific statute providing for a longer time to file a claim, in which case the statute shall govern. Any failure to timely request arbitration constitutes a complete waiver of all rights to raise any claims in any forum relating to any dispute that was subject to arbitration. The time limitations in this paragraph are not subject to any type of tolling.

### D. The Arbitrator

All disputes will be resolved by a single Arbitrator selected from a list provided by AAA pursuant to AAA rules. The Arbitrator has the authority to rule on any motions regarding discovery or the pleadings, including motions to dismiss and for summary judgment, and, in doing so, shall apply the standards set forth in the Federal Rules of Civil Procedure, and to order any and all equitable or legal relief which a party could obtain from a court of competent jurisdiction on the basis of the claims made in the dispute. The arbitrator shall have no power to vary or ignore the terms of this Agreement and shall be bound by controlling law and the Federal Rules of Evidence.

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**E. Hearing Location**

Unless the parties agree otherwise in writing, the hearing shall take place at the Company's executive offices.

**F. Arbitration Fees and Costs**

The parties shall be responsible for their own attorneys' fees, witness fees, transcripts, copy costs, postponement/cancellation fees, travel and discovery costs. In addition, each party shall be responsible for 50% of the total fees due to the AAA.

**G. Severability**

In the event that any provision of this Agreement is determined by the Arbitrator or by a court of competent jurisdiction to be illegal, invalid or unenforceable to any extent, such provision shall be enforced to the extent permissible under the law and all remaining provisions of this Agreement shall remain in full force and effect.

**H. Miscellaneous Provisions**

1. The parties understand and agree that their promises to arbitrate claims, rather than to litigate them before courts or other bodies, provide consideration for each other.
  2. This Agreement to arbitrate shall survive the termination of Employee's employment. It can only be revoked or modified in writing signed by the parties, which specifically states intent to revoke or modified this Agreement. Only the Board of the Company can revoke or modify this Agreement on behalf of the Company.
  3. Notwithstanding anything to the contrary herein, to the extent that a party seeks to subpoena, or otherwise legally compel, a third party for information or testimony, and if such third party is an actual, past, or prospective customer of the Company or its affiliates, or is an employee, officer, or director of such customer, then no subpoena or other legal process may be issued to such third party unless: (1) the Company and Employee agree in writing to issue the subpoena or legal process; or (2) upon written motion from the party seeking to issue the subpoena or legal process, in which motion the petitioning party shall have the burden of persuasion and the burden of proof, the Arbitrator finds good cause to issue such subpoena or legal process.
  4. This is the complete Agreement of the parties on the subject of arbitration of disputes, except for any arbitration agreement in connection with any retirement or benefit plan. This Agreement supersedes any prior or contemporaneous oral or written understanding on the subject.
  5. This Agreement is not, and shall not be construed to create, any contract of employment, express or implied. Nor does this Agreement in any way alter the "at will" nature of the employment relationship, which either party remains free to terminate at any time with or without cause or notice.
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**DIRECT DIALOGUE PROGRAM  
REQUEST FOR MEDIATION/ARBITRATION**

*Please Type or Print*

**1.**

Name: \_\_\_\_\_

Address: \_\_\_\_\_

Telephone: \_\_\_\_\_

**NOTE: All correspondence concerning this matter will be sent to you at this address.**

*For the following questions, please use additional pages if necessary in order to provide complete information. Please place an asterisk indicating where a response is continued to an accompanying page.*

**2. NATURE OF CLAIM/What problem has occurred?**

**3. RIGHTS/Are there specific rights that you feel have been violated?**

**4. RELEVANT FACTS/What happened to cause the problem?**

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5. WITNESSES/Please name every person who has knowledge of the relevant facts.

REQUEST FOR (Check one): MEDIATION \_\_\_\_\_ ARBITRATION \_\_\_\_\_

6. REMEDY SOUGHT/What relief do you believe you are entitled to?

7. SIGNATURE

I affirm that the information provided above is true and accurate.

Date: \_\_\_\_\_ Signature: \_\_\_\_\_

If you are requesting arbitration and have an attorney (optional) in this matter, please provide the following information:

Attorney's Name: \_\_\_\_\_

Address: \_\_\_\_\_

Telephone: \_\_\_\_\_

NOTICE: This Request for Mediation/Arbitration must be filed with the Company's Internal Counsel by mail and email to:

Pat Costello  
Internal Counsel  
DGS LTD. c/o  
TRG HOLDINGS LLC  
1700 Pennsylvania Avenue, Suite 560  
Washington DC 20006 USA  
[Pat.costello@trgworld.com](mailto:Pat.costello@trgworld.com)

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Date Request received by Internal Counsel: \_\_\_\_\_

**FIRST AMENDMENT TO  
PROFIT SHARE AGREEMENT**

This First Amendment ("First Amendment") is entered into as of November 1, 2017 ("First Amendment Effective Date") to amend the Profit Share Agreement ("Agreement") dated June 30, 2017, (the "Agreement") between DGS Ltd. (the "Company") and Jeffrey Cox ("Cox").

- 1. **Definitions.** All capitalized terms not defined herein shall have their meaning as defined in the Agreement.
- 2. **Amendments.** The parties hereby agree to replace "13.93%" in Section 3 of the Agreement with "16.18%".
- 3. **Miscellaneous.** This First Amendment, together with the Agreement, constitutes the entire agreement between the parties regarding the subject matter hereof and supersedes all prior agreements or representations regarding the same. Except as set forth in this First Amendment, all terms of the Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties agree to this First Amendment as of the First Amendment Effective Date:

**DGS Ltd.**

**Jeffrey Cox**

/s/ Mohammed Khaishgi  
\_\_\_\_\_  
Mohammed Khaishgi  
Director

/s/ Jeffrey Cox  
\_\_\_\_\_  
Jeffrey Cox

CONFIDENTIAL TREATMENT HAS BEEN REQUESTED AS TO CERTAIN PORTIONS OF THIS DOCUMENT. EACH SUCH PORTION, WHICH HAS BEEN OMITTED HEREIN AND REPLACED WITH THREE ASTERISKS (\*\*\*) , HAS BEEN FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION.

THIS WARRANT AND THE SECURITIES ISSUABLE UPON THE EXERCISE OF THIS WARRANT HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), AND NO INTEREST MAY BE SOLD, DISTRIBUTED, ASSIGNED, OFFERED, PLEDGED OR OTHERWISE TRANSFERRED UNLESS (A) THERE IS AN EFFECTIVE REGISTRATION STATEMENT UNDER THE ACT COVERING ANY SUCH TRANSACTION INVOLVING SAID SECURITIES, (B) SUCH TRANSACTION IS EXEMPT FROM REGISTRATION, INCLUDING PURSUANT TO RULE 144 OF THE ACT OR (C) THE COMPANY OTHERWISE SATISFIES ITSELF (AT NO COST OR EXPENSE TO THE HOLDER) THAT SUCH TRANSACTION IS EXEMPT FROM REGISTRATION.

No. **W-01**  
ISSUED: **November 13, 2017**  
Void After: **November 13, 2027**

WARRANT TO PURCHASE  
COMMON SHARES

**IBEX HOLDINGS LIMITED**  
**Warrant**

THIS IS TO CERTIFY that Amazon.com NV Investment Holdings LLC, or such person to whom this Warrant is transferred in accordance with the terms hereof (the "**Holder**"), is entitled to exercise this Warrant to purchase up to 1,611,944 fully paid and nonassessable Common Shares, par value US\$0.0001 each (the common shares of the Company, as defined below, being the "**Warrant Shares**") of IBEX Holdings Limited, a Bermuda exempted company (the "**Company**"), at a price per share calculated as set forth below (such price, the "**Exercise Price**"), on the terms, subject to the conditions (including as to vesting) and subject to adjustment as provided herein.

The Exercise Price shall be as follows:

- a) Prior to June 30, 2018, for so long as neither a Qualified IPO nor a Qualified Valuation Event (each as defined below) has occurred, the Exercise Price shall be \$18.08;
- b) If the Company completes a firm commitment underwritten initial public offering of the Warrant Shares pursuant to an effective registration statement under the Act for listing on the New York Stock Exchange or The Nasdaq Stock Market (each, a "**Recognized Stock Exchange**") resulting in net proceeds to the Company of not less than \$20 million ("**Qualified IPO**") on or prior to June 30, 2018, the Exercise Price shall, upon and after such Qualified IPO, be the price per Warrant Share offered to the public by the underwriters in such Qualified IPO (it being understood that this clause (b) shall not apply if a Qualified Valuation Event has occurred prior to such Qualified IPO as contemplated by clause (c));

- c) If, prior to the completion of a Qualified IPO and on or prior to June 30, 2018, a Qualified Valuation Event has occurred, the Exercise Price shall, upon and after (and for purposes of) such Qualified Valuation Event, be 85% of the price per Warrant Share implied by such Qualified Valuation Event;
- d) If neither a Qualified IPO nor a Qualified Valuation Event has occurred on or prior to June 30, 2018, the Exercise Price shall, upon and after such date, be \$18.08; and
- e) If neither a Qualified IPO nor a Qualified Valuation Event has occurred on or prior to June 30, 2018, but a Qualified IPO or an M&A Event occurs after June 30, 2018 but on or prior to December 31, 2018, the Exercise Price shall, upon and after the date of such Qualified IPO or M&A Event, be the lower of (i) the Exercise Price established pursuant to clause (d) above and (ii) the price established in respect of the first Qualified IPO or M&A Event to occur in such period, as either (as applicable) (x) the price per Warrant Share offered to the public by the underwriters in such Qualified IPO or (y) 85% of the price per Warrant Share implied by such M&A Event.

In the case of the foregoing clauses (a) and (d) only, the Exercise Price established thereby shall be subject to adjustment pursuant to Section 4.5 hereof.

“**M&A Event**” shall mean the consummation of a bona fide (i) sale, transfer, or other disposition, whether occurring through one transaction or a series of related transactions, of all or substantially all of the Company’s consolidated assets to a third party (other than the Company or any of its direct or indirect subsidiaries) or (ii) consolidation, amalgamation, merger, or binding share exchange of the Company with or into, or a share transfer, sale or other disposition by a shareholder of the Company to, a third party following which the holders of the Company’s voting equity securities immediately prior to such consolidation, amalgamation, merger, share transfer, sale, disposition or binding share exchange hold less than 50% of the voting power of the combined company following such consolidation, amalgamation, merger, share transfer, sale, disposition or binding share exchange (other than a bona fide reorganization among affiliates such that one or more affiliates of the relevant shareholder continue to hold 50% or more of the Company’s voting power after such transaction), in each case from which a per Warrant Share price can be reasonably determined.

“**Qualified Valuation Event**” shall mean the first of any of the following events to occur after the date of this Warrant:

- a) consummation of any Reorganization (as defined below); and
- b) consummation of a bona fide equity investment transaction (excluding (i) related party transactions, (ii) transactions of the type contemplated by the definition of Permitted Transactions (as defined below), and (iii) commercial arrangements with customers or suppliers from which a per Warrant Share price cannot be fairly determined because of the nature of the arrangement, as determined by the Company and the Holder in good faith after considering whether it is reasonably possible to quantify and take into account the economic contributions to the business of the Company made by such customers or suppliers) entered into by the Company, any of its direct or indirect subsidiaries or any of its shareholders with one or more bona fide third parties in which an aggregate equity interest in the Company or any of its direct or indirect subsidiaries is issued or transferred (or becomes subject to issuance or transfer) that is in excess of 7.5% of the fully diluted share capital of the Company and from which a per Warrant Share price can be reasonably determined.

The Company will provide the Holder with notice of any such event at least 10 business days prior to the consummation of any Qualified Valuation Event or Qualified IPO, which notice shall (to the extent (x) permitted by law, (y) possible without violating applicable confidentiality restrictions, the Company having used commercially reasonable efforts to obtain a waiver of the same, and (z) possible without including information which the Company reasonably determines in good faith is competitively sensitive) include a summary of the terms thereof; provided, that such notice shall in any event include the price per Warrant Share implied thereby. Notwithstanding the foregoing, if the Company is unable to provide the Holder with the summary of terms required by this paragraph due to legal restrictions, confidentiality restrictions, or competitive sensitivity, the Company shall notify the Holder of such fact and provide as much information as possible without violating such legal or confidentiality restrictions, or competitive sensitivities.

The Exercise Price, as calculated pursuant to the terms of this Warrant, is the product of an arm’s-length negotiation. This Warrant is issued in connection with the Master Services Agreement, dated as of October 7, 2016 (as the same may be amended, modified, supplemented, or replaced from time to time, the “**Commercial Agreement**”), between TRG Customer Solutions, Inc. (d/b/a IBEX Global Solutions) and AMZN wvcs LLC. This Warrant is non-forfeitable with respect to vested Warrant Shares and will vest and become exercisable in accordance with Section 1.3.

#### 1. Method of Exercise

**1.1 Cash Exercise Right.** This Warrant may be exercised by the Holder, in whole or in part and in respect of the vested Warrant Shares in respect of which no previous exercise of this Warrant has occurred, on or prior to November 12, 2027 (the “**Expiration Date**”, and the period between the date hereof and the Expiration Date, the “**Exercise Period**”) by delivering to the Company the Notice of Cash Exercise attached as **Exhibit A** (“**Notice of Cash Exercise**”) duly executed by the Holder, enclosing this Warrant, and payment by wire transfer of immediately available cleared funds or (where the Company so agrees in writing) canceled indebtedness of the Company to the Holder (or by any combination thereof, where the Company so agrees in writing), in the amount of the Exercise Price multiplied by the number of Warrant Shares for which this Warrant is being exercised (the “**Purchase Price**”).

**1.2 Net Issuance Right.** In lieu of delivering a Notice of Cash Exercise as set forth in Section 1.1, the Holder may elect to receive Warrant Shares equal to the value of this Warrant (or the portion thereof being exercised) by surrender of this Warrant to the Company together with the Notice of Net Issuance Exercise attached as **Exhibit B** ("**Notice of Net Issuance Exercise**") duly executed by the Holder (any such exercise, a "**Net Issuance Exercise**"), in which event the Company shall issue to the Holder a number of Warrant Shares computed using the following formula (provided that any Warrant Shares issued pursuant hereto shall be on the basis that the Company has received consideration at least equal to the par value of any such shares issued):

$$X = \frac{(A - B) \times C}{A}$$
 where:

- X = the number of Warrant Shares issuable upon Net Issuance Exercise  
A = the Fair Market Value of one Warrant Share on the date of Net Issuance Exercise  
B = the Exercise Price  
C = the number of vested Warrant Shares as to which the Holder elects to exercise

"**Fair Market Value**" of a Warrant Share shall mean:

(a) if Warrant Shares are traded on an exchange, the average of the closing price reported for the five business days immediately preceding the date of Net Issuance Exercise, as published in *The Wall Street Journal*, provided that if the price for the Warrant Shares at 12:00 p.m. (New York time) on such exchange on the date of the Notice of Net Issuance Exercise is more than 5% above or below such average, such 12:00 p.m. (New York time) price shall be the Fair Market Value;

(b) if Warrant Shares are not traded on an exchange, but are traded in the over-the-counter market, the volume-weighted average of the closing price reported for the ten business days immediately preceding the date of Net Issuance Exercise, as published on [www.otcmatrix.com](http://www.otcmatrix.com);

(c) if the Net Issuance Exercise is in connection with a Reorganization (as defined below), the value of the consideration (determined in accordance with Section 4.1) to be received pursuant to such Reorganization by the holder of one Warrant Share; or

(d) if none of clauses (a) through (c) shall apply, the fair market value shall be the price per Warrant Share that the Company could obtain from a willing arm's-length buyer who is not a current or former employee or director of the Company or any affiliate of the Company (such price to be exclusive of any control or other similar premium) as determined in good faith by the board of directors of the Company (the "**Board**").

The Holder agrees that it will not execute a Net Issuance Exercise prior to June 30, 2018, unless such Net Issuance Exercise is (x) made in connection with a Reorganization, or (y) made after the occurrence of an initial public offering of the Company's Warrant Shares ("**IPO**").

**1.3 Vesting.** (a) The Warrant Shares subject to this Warrant shall become fully vested, non-forfeitable and immediately exercisable upon the satisfaction of the following Vesting Milestones in the following amounts:

(i) \*\*\* Warrant Shares shall become fully vested, non-forfeitable and immediately exercisable on the date on which Amazon Generated Revenue equals US\$\*\*\* (such vesting milestone, the "**First Vesting Milestone**");

(ii) an additional \*\*\* Warrant Shares shall become fully vested, non-forfeitable and immediately exercisable on the date on which Amazon Generated Revenue equals US\$\*\*\* (such vesting milestone, the "**Second Vesting Milestone**"); and

(iii) an additional \*\*\* Warrant Shares shall become fully vested, non-forfeitable and immediately exercisable on the date on which Amazon Generated Revenue equals US\$\*\*\* (such vesting milestone, the "**Third Vesting Milestone**");

(iv) an additional \*\*\* Warrant Shares shall become fully vested, non-forfeitable and immediately exercisable on the date on which Amazon Generated Revenue equals US\$\*\*\* (such vesting milestone, the "**Fourth Vesting Milestone**");

(v) an additional \*\*\* Warrant Shares shall become fully vested, non-forfeitable and immediately exercisable on the date on which Amazon Generated Revenue equals US\$\*\*\* (such vesting milestone, the "**Fifth Vesting Milestone**");

(vi) an additional \*\*\* Warrant Shares shall become fully vested, non-forfeitable and immediately exercisable on the date on which Amazon Generated Revenue equals US\$\*\*\* (such vesting milestone, the "**Sixth Vesting Milestone**");

(vii) an additional \*\*\* Warrant Shares shall become fully vested, non-forfeitable and immediately exercisable on the date on which Amazon Generated Revenue equals US\$\*\*\* (such vesting milestone, the "**Seventh Vesting Milestone**");

(viii) an additional \*\*\* Warrant Shares shall become fully vested, non-forfeitable and immediately exercisable on the date on which Amazon Generated Revenue equals US\$\*\*\* (such vesting milestone, the "**Eighth Vesting Milestone**");

(ix) an additional \*\*\* Warrant Shares shall become fully vested, non-forfeitable and immediately exercisable on the date on which Amazon Generated Revenue equals US\$\*\*\* (such vesting milestone, the "**Ninth Vesting Milestone**");

(x) an additional \*\*\* Warrant Shares shall become fully vested, non-forfeitable and immediately exercisable on the date on which Amazon Generated Revenue equals US\$600,000,000 (such vesting milestone, the "**Tenth Vesting Milestone**," and together with the First Vesting Milestone, the Second Vesting Milestone, Third Vesting Milestone, Fourth Vesting Milestone, Fifth Vesting Milestone, Sixth Vesting Milestone, Seventh Vesting Milestone, Eighth Vesting Milestone, Ninth Vesting Milestone, the "**Vesting Milestones**" and each of foregoing Vesting Milestones, a "**Vesting Milestone**").

"**Amazon Generated Revenue**" means, \*\*\*.

"**Measurement Period**" means the period of time commencing on (and including) January 1, 2017 and expiring on (and including) June 30, 2024.

(b) Notwithstanding anything to the contrary set forth herein, if a Reorganization occurs at any time during the Exercise Period, each of the five Vesting Milestones immediately after the last Vesting Milestone to have been satisfied (or if such Reorganization occurs after the satisfaction of the Sixth Vesting Milestone, each of the remaining Vesting Milestones) shall be automatically accelerated and deemed to be satisfied and the Warrant Shares associated with each such Vesting Milestone shall become fully vested, non-forfeitable and immediately exercisable, provided that this paragraph (b) shall not be applicable to any Exempt Reorganization. The following example is provided for illustrative purposes only:

Amazon Generated Revenue on June 5, 2019 equals US\$\*\*\*, and as a result the First Vesting Milestone, Second Vesting Milestone and Third Vesting Milestone have been satisfied. A Reorganization occurs on July 1, 2019. Therefore, each of the Fourth Vesting Milestone, Fifth Vesting Milestone, Sixth Vesting Milestone, Seventh Vesting Milestone and Eighth Vesting Milestone is automatically deemed satisfied and the Warrant Shares associated with each such Vesting Milestone become fully vested, non-forfeitable and immediately exercisable in connection with such Reorganization.

(c) "**Exempt Reorganization**" means a Reorganization where both (1) this Warrant remains outstanding as a warrant for a class of equity in the Company or an entity that is a parent company of (or successor, as holding company of the business operated by the Company and its direct or indirect subsidiaries, to) the Company, and in either case, such entity is the sole entity in which investors (other than current or former employees, officers or consultants of the Company and/or its present or former direct or indirect subsidiaries) hold equity and such entity is therefore the relevant entity for any future liquidity event or change of control transaction (as determined by Holder and the Company in good faith), and such warrant entitles the Holder (or its permitted assignee) to the same rights and includes (as closely as reasonably practicable) the same economic terms and economic interest as are set forth in this Warrant (as determined by Holder and the Company in good faith), and (2) the Holder's (or its permitted assignee's) ability to satisfy the Vesting Milestones following such Reorganization is not adversely affected by that Reorganization.

For purposes of this Warrant, (i) the term "**affiliate**" means, as to any person, any person that directly or indirectly controls, is controlled by or is under common control with that person and (ii) the term "**person**" means any individual, corporation, partnership, trust, joint venture, limited liability company, association, organization, other entity or governmental or regulatory authority.

**1.4 Expiration.** The Warrant shall lapse and expire at 11:59 p.m., New York City time, on the Expiration Date, and no Warrant Shares may vest, and (subject to Section 10.6) the Warrant may not be exercised, at any time thereafter, provided however, that if at any time during the Exercise Period the Holder has not obtained any governmental approvals or exemptions required for the exercise of this Warrant under (or is subject to waiting periods with respect to such exercise under) the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, or any other applicable law, then the Exercise Period shall be deemed extended until the earliest of (x) the Holder ceasing actively to pursue such approval or exemption and (y) any governmental authority that must grant any such required approval or exemption denying such grant and such denial becoming final and non-appealable or the Holder declining to appeal such denial (provided that the Holder shall only be deemed to have so ceased actively to pursue any such approval or exemption or declined to appeal a denial of any such approval or exemption where the Holder confirms the same is the case or fails to so confirm, within five Business Days of written request by the Company).

**2. Delivery of Share Certificates; No Fractional Shares.**

Within five business days after exercise of this Warrant (or, if later and if applicable, two business days after the determination of the Fair Market Value in accordance with the terms of this Warrant to be employed in connection with a Net Issuance Exercise), the Company at its expense shall issue and deliver to the Holder (a) an updated register of members, certified by the Company Secretary, evidencing the issuance of the relevant Warrant Shares to the Holder pursuant to the exercise of this Warrant, (b) a certificate or certificates for the number of Warrant Shares to which the Holder shall be entitled upon such exercise (solely if the Company permits certificated shares at the time of such exercise and the Holder requests certificates), and (c) if applicable, a new warrant with terms identical to this Warrant to purchase that number of Warrant Shares as to which this Warrant has not been exercised. The Holder shall for all purposes be deemed to have become the holder of record of such Warrant Shares on the date this Warrant was exercised, and such date of exercise shall be duly recorded in the updated register of members, and this shall be irrespective of the date of delivery of any certificate(s) representing the Warrant Shares (if applicable). No fractional shares or scrip shall be issued upon the exercise of this Warrant. In lieu of a fractional share or scrip, the Company shall pay the Holder a sum in cash equal to the Fair Market Value of the fractional share on the date of exercise.

**3. Representations, Warranties and Covenants**

**3.1** The Company represents and warrants that all corporate actions required to be taken, and approvals and consents required to be obtained, by the Company, its officers, directors and shareholders, and, so far as it is aware, any third party (including, but not limited to, the necessary consent of the Bermuda Monetary Authority for the issuance of this Warrant and issuance of the Warrant Shares pursuant to the exercise of this Warrant) for the sale and issuance of this Warrant have been taken, including the reservation of sufficient number of authorized but unissued shares to accommodate the issuance of Warrant Shares upon exercise of this Warrant.

**3.2** The Company represents and warrants that the authorized capital of the Company is US\$12,000 divided into 115,250,139 Warrant Shares, of which 7,750,141 are issued and outstanding as of the date hereof, and 4,749,861 Preference Shares, of which all are issued and outstanding as of the date hereof. All of the issued and outstanding Warrant Shares and Preference Shares have been duly authorized, are fully paid and nonassessable and were issued in compliance with the Act and applicable law (including, without limitation, the Bermuda Companies Act 1981, as amended). The Company has reserved 2,007,498 Warrant Shares for issuance to officers, directors, employees and consultants of the Company pursuant to its 2017 Stock Plan duly adopted by the Board and approved by the Company's shareholders (as amended from time to time, the "**Stock Plan**"). Of such reserved Warrant Shares, no shares have been issued pursuant to restricted share purchase agreements, no shares have been issued upon exercise of options granted under the Stock Plan, no options to purchase Warrant Shares have been granted and are currently outstanding, and 2,007,498 Warrant Shares remain available for issuance to officers, directors, employees and consultants pursuant to the Stock Plan. There are no outstanding options, warrants, rights (including conversion or preemptive rights and rights of first refusal or similar rights) or agreements, orally or in writing, for the purchase or acquisition from the Company of any of its share capital (including Warrant Shares). The Company's Convertible Preference Shares are convertible to Warrant Shares on a 1:1 ratio as set forth in the Company's Certificate of Designation, Preferences and Rights of Convertible Preference Shares (the "**Certificate of Designation**"), and will automatically convert to Warrant Shares upon the consummation of any Qualified IPO.

3.3 The Company represents and warrants that "United States shareholders" as such term is defined in Section 951(b) of the U.S. Internal Revenue Code of 1986, as amended (the "Code"), own less than 39% of the total voting power or value of the Company's stock for purposes of section 957(a) of the Code.

3.4 The Company represents and warrants that it is not currently, and has never been, a "passive foreign investment company" as such term is defined in Section 1297 of the Code.

3.5 The financial information set out in *Exhibit D* (including, for the avoidance of doubt, the Company's revenue as set forth therein) (a) is consistent with the books and records of the Company, (b) has been prepared, with respect to the information included, in conformity with International Financial Reporting Standards ("*IFRS*") on a basis consistent with prior accounting periods (excluding, for the avoidance of doubt, as to the inclusion of notes) and (c) fairly presents in all material respects the revenue and net debt of the Company and its subsidiaries as of the date and for the period indicated in *Exhibit D*.

3.6 The Company represents and warrants that there are no shareholders agreements or investor rights agreements, or any other similar agreements which provide a shareholder with preferential voting power, commit a shareholder to cast its votes as shareholder in the Company under the instruction of another party, or provide that shareholder with a special right to direct action by the Company (not conferred by that shareholder's holding of shares in the Company), in each case: (a) among the Company, any of its subsidiaries and one or more of its shareholders, and (b) except for any such agreements that have been provided to the Holder prior to the date of this Warrant.

3.7 The Company covenants that at all times during the Exercise Period there shall be reserved for issuance such number of Warrant Shares as is necessary for exercise in full of this Warrant. All Warrant Shares issued pursuant to the exercise of this Warrant shall, upon their issuance, be validly issued and outstanding, fully paid and nonassessable, free and clear of all liens and other encumbrances or restrictions on sale and free and clear of all preemptive rights, and such Warrant Shares shall be issued free from all taxes, liens and charges with respect to the issuance thereof.

3.8 The Company shall not, directly or indirectly, whether by or as a result of any reorganization, sale or transfer of assets, consolidation, merger, amalgamation, dissolution, issuance or sale of securities, or any other voluntary action, (i) amend its constitutional documents to require additional consents for, or otherwise frustrate, the exercise of this Warrant, (ii) avoid or seek to avoid the observance or performance of any of the terms of this Warrant, (iii) alter the classes (and/or the rights attaching to such classes) of shares in the Company (or any successor entity) for the primary purpose of frustrating the exercise of this Warrant or subordinating Warrant Shares to other classes of equity in any manner that adversely affects the Holder's economic interest in the Company (or any successor entity), or (iv) effect any Reorganization (including any Exempt Reorganization) that results in an adverse effect (disregarding any *de minimis* effects) on the economic interest of the Holder as established by this Warrant; provided for the avoidance of doubt that the foregoing shall not restrict actions taken in good faith that are (x) in furtherance of the bona fide commercial interests of the Company and/or its direct or indirect subsidiaries and that do not, subject and without prejudice to Section 10.1, disproportionately prejudice or disproportionately adversely affect the rights of any particular class of the shares of the Company (for such purposes, whether or not the Warrant has been exercised, treating each of the Warrant and the Warrant Shares, whether held by the Holder or not, as a separate class of shares of the Company) and/or (y) in the opinion of outside legal counsel, necessary to comply with applicable laws or regulations.

#### 4. Adjustments Upon Certain Events.

4.1 **Effect of Reorganization.** Upon (i) any consolidation, merger, or amalgamation involving the Company pursuant to which the Company's shareholders immediately prior to such consolidation, merger or amalgamation own, immediately after such consolidation, merger or amalgamation, less than 50% of the voting securities of the surviving entity, (ii) any transaction or series of related transactions in which 50% or more of the Company's voting power is transferred to persons other than the Company's shareholders immediately prior to such transaction or series of transactions (other than sales to the public in or after an IPO, and a bona fide reorganization among affiliates such that one or more affiliates of the relevant shareholder continue to hold 50% or more of the Company's voting power after such reorganization), (iii) the sale of all or substantially all of the assets of the Company and its direct and indirect subsidiaries to a third party, other than the Company or any of its direct or indirect subsidiaries, or (iv) any liquidation of the Company (collectively, a "**Reorganization**") during the Exercise Period (as may be extended pursuant to Section 1.4), in each case as a result of which the shareholders of the Company receive cash, shares or other property in exchange for their Warrant Shares, lawful provision shall be made so that the Holder shall thereafter be entitled to receive, upon exercise of this Warrant, the number of shares of securities of the Company or another entity, cash or other property to which a holder of the Warrant Shares issuable upon exercise of this Warrant would have been entitled to receive in such Reorganization if this Warrant had been exercised immediately prior to such Reorganization. In any such case, appropriate adjustment shall be made in the application of the provisions of this Warrant with respect to the rights and interests of the Holder after the Reorganization such that the provisions of this Warrant shall be applicable after that event, as near as reasonably may be, in relation to any shares deliverable after that event upon the exercise of this Warrant. The Company shall provide the Holder at least 10 business days' prior written notice of the consummation of any Reorganization.



**4.2 Adjustments for Share Splits, Bonus Issues, Dividends.** If the Company shall, directly or indirectly, issue any shares of the same class as the Warrant Shares as a share dividend or bonus issue, or subdivide in a forward share split, or combine in a reverse share split, the number of issued and outstanding shares of such class into a greater or lesser number of shares, then, in either such case, the Exercise Price in effect before such action shall be proportionately decreased or increased, as applicable, and the number of Warrant Shares at that time issuable pursuant to the exercise of this Warrant shall be proportionately increased or decreased, as applicable. Each adjustment in the number of Warrant Shares issuable shall be to the nearest whole share and each adjustment of the Exercise Price shall be calculated to the nearest cent. Any adjustment under this Section 4.2 shall become effective at the close of business on the date the subdivision or combination becomes effective, or as of the record date of such dividend.

**4.3 Adjustment to Exercise Price for Dilutive Issuances.** If the Company shall, directly or indirectly, issue or be deemed to have issued any shares of the same class as the Warrant Shares (other than as provided in Section 4.2) in connection with the issuance or grant of options to purchase or rights to subscribe for Warrant Shares, securities by their terms convertible into or exchangeable for Warrant Shares, or options to purchase or rights to subscribe for such convertible or exchangeable securities (in each case other than in Permitted Transactions), in each case for consideration per share that is less (other than by reason of the payment, deduction or application of customary discounts, commissions, spreads, fees or other similar amounts as determined by, or agreed to with, the underwriter(s), placement agent(s) or other person(s) performing similar functions in connection with such issuance) than the then-current Exercise Price (a "*Dilutive Issuance*"), then on the date of such issuance the Exercise Price shall be reduced to a price (calculated to the nearest cent) equal to the quotient of (a) the sum of (i) the consideration received by the Company in such issuance plus (ii) the product of the number of fully diluted shares of equity securities of the Company issued and outstanding immediately prior to the issuance times the Exercise Price divided by (b) the number of fully diluted shares of equity securities of the Company issued and outstanding immediately after the issuance. "*Permitted Transactions*" shall include (A) issuances of Warrant Shares upon exercise of options, and issuances of options or convertible securities to acquire Warrant Shares to directors, advisors, employees or consultants of the Company or its direct or indirect subsidiaries pursuant to a stock option plan, employee stock purchase plan, restricted stock plan, other employee benefit plan or other similar compensatory agreement or arrangement, in each case as approved by the Board, (B) the conversion of Convertible Preference Shares to Warrant Shares in accordance with their terms as at the date of this Warrant, and (C) the exercise of this Warrant.

In the case of the issuance or grant of options to purchase or rights to subscribe for Warrant Shares, securities by their terms convertible into or exchangeable for Warrant Shares, or options to purchase or rights to subscribe for such convertible or exchangeable securities which is or could be a Dilutive Issuance, the following provisions shall apply:

(i) the aggregate maximum number of Warrant Shares deliverable upon exercise of such options to purchase or rights to subscribe for Warrant Shares shall (A) be deemed to have been issued at the time such options or rights were granted, and (B) for consideration equal to the consideration to be received by the Company upon the issuance or exercise of such options or rights for the Warrant Shares covered thereby;

(ii) the aggregate maximum number of Warrant Shares deliverable upon conversion of or in exchange for any such convertible or exchangeable securities or upon the exercise of options to purchase or rights to subscribe for such convertible or exchangeable securities and subsequent conversion or exchange thereof shall be deemed to have been issued at the time such securities, options or rights were issued;

(iii) if such options, rights or convertible or exchangeable securities by their terms provide for any increase in the consideration payable to the Company, or decrease in the number of Warrant Shares issuable, upon the exercise, conversion or exchange thereof, the Exercise Price computed upon the original issue thereof, and any subsequent adjustments based thereon, shall, upon such increase or decrease becoming effective, be recomputed to reflect such increase or decrease with respect to such options, rights and securities not already exercised, converted or exchanged prior to such increase or decrease becoming effective; and

(iv) upon the expiration of any such options or rights, the termination of any such rights to convert or exchange or the expiration of any options or rights related to such convertible or exchangeable securities prior to any exercise, the Exercise Price shall promptly be readjusted to such Exercise Price as would have been obtained had the adjustment which was made upon the issuance of such options, rights or securities or options or rights related to such securities been made upon the basis of the issuance of only the number of Warrant Shares actually issued upon the exercise of such options or rights, upon the conversion or exchange of such securities or upon the exercise of the options or rights related to such securities.

No single event shall cause an adjustment under more than one subsection of this Section 4 so as to result in duplication. Except as expressly stated herein, the Exercise Price and number of Warrant Shares issuable upon an exercise shall not be adjusted.

**4.4 Calculation of Consideration.** In the case of an issuance of additional Warrant Shares (or any other rights, securities or interests exercisable or exchangeable for, or convertible into, Warrant Shares or any other derivatives of Warrant Shares) for noncash consideration, the Board shall in good faith determine the value of such consideration (provided that such consideration is at least equal to the par value) and shall promptly provide the Holder a written explanation of its determination.

**4.5 Adjustment for Dividends on Convertible Preference Shares.** If, on or after the date of this Warrant, the Company declares and pays a dividend to holders of the Company's Convertible Preference Shares (as defined in the Certificate of Designation) pursuant to Section 2 of the Certificate of Designation, the Exercise Price for the purposes of clauses (a) and (d) of the second paragraph of the preamble of this Warrant shall, for all subsequent exercises of this Warrant for which an Exercise Price is calculated under clause (a) or (d) of the second paragraph of the preamble of this Warrant, be reduced by an amount equal to: (A) the amount of such dividend actually paid, divided by (B) the number of fully diluted shares of equity securities of the Company immediately prior to the payment of that dividend.

**4.6 Further Approvals.** The Company covenants and agrees that, if in respect of any of the adjustments contemplated by this Section 4, any supplemental consent of the Bermuda Monetary Authority is required for the issuance of additional Warrants and the issuance of additional Warrant Shares pursuant to the exercise of this Warrant, the Company will use its best efforts to apply for and obtain the relevant Bermuda Monetary Authority consents in a timely manner.

**4.7 Certificate as to Adjustments.** In the case of any adjustment in the Exercise Price or number and type of securities issuable upon exercise of this Warrant, the Company shall promptly give written notice to the Holder in the form of a certificate signed by an officer of the Company, setting forth the adjustment in reasonable detail.

## 5. Registration Rights; Information Rights

**5.1 Registration Rights.** For purposes of this Warrant:

"**Damages**" shall mean any loss, damage, claim or liability (joint or several) to which a party hereto may become subject under the Act, the Exchange Act, or other federal or state law, insofar as such loss, damage, claim or liability (or any action in respect thereof) arises out of or is based upon: (i) any untrue statement or alleged untrue statement of a material fact contained in any registration statement of the Company under which Registrable Securities were registered under the Act, including any preliminary prospectus or final prospectus contained therein or any amendments or supplements thereto necessary to the make statements therein (in the case of a preliminary prospectus or final prospectus, in light of the circumstances in which they were made) not misleading; (ii) an omission or alleged omission to state therein a material fact required to be stated therein, or necessary to make the statements therein (in the case of a prospectus, preliminary prospectus or issuer free writing prospectus, in light of the circumstances in which they were made) not misleading; or (iii) any violation or alleged violation by the indemnifying party (or any of its agents or affiliates) of the Act, the Exchange Act, any state securities law, or any rule or regulation promulgated under the Act, the Exchange Act, or any state securities law in connection with the registration, qualification, compliance or sale of Registrable Securities.

“**Excluded Registration**” means (i) a registration relating to the sale of securities to employees of the Company or a subsidiary pursuant to a stock option, stock purchase, or similar plan; (ii) a registration relating to Commission (as defined herein) Rule 145 transaction; (iii) a registration on any form that does not include substantially the same information as would be required to be included in a registration statement covering the sale of the Registrable Securities; (iv) a registration in which the only common stock of the Company being registered is common stock of the Company issuable upon conversion of convertible securities that are also being registered; and (v) the Company’s IPO or its Qualified IPO.

“**Registrable Securities**” means all Warrant Shares issued upon exercise of this Warrant and any Warrant Shares issued as (or issuable upon the conversion or exercise of any warrant, right, or other security that is issued as) a dividend or other distribution with respect to, or in exchange for or in replacement of, the Warrant Shares.

“**Selling Expenses**” means all underwriting discounts, selling commissions, and stock transfer taxes applicable to the sale of Registrable Securities, and fees and disbursements of counsel for the Holder.

“**Shelf Registration Statement**” means a registration statement of the Company filed with the Commission on Form F-3 (or any successor form or other appropriate form under the Act) for an offering to be made on a delayed or continuous basis pursuant to Rule 415 (or any successor provision) under the Act covering Registrable Securities.

(a) **Shelf Registration.** At any time after the date that is on or after the one-year anniversary of the IPO when the Company is eligible to use a Shelf Registration Statement and on which the Holder is no longer subject to an underwriter’s lock-up pursuant to Section 5.4, the Holder may make a written request (a “**Shelf Notice**”) to the Company to file a Shelf Registration Statement, which Shelf Notice shall specify the kind and the aggregate amount of Registrable Securities of the Holder to be registered therein. Following the delivery of a Shelf Notice, if the Company is eligible to effect a registration statement on Form F-3, the Company (x) shall file a Shelf Registration Statement as soon as practicable, and in any event within forty-five (45) days following delivery of such Shelf Notice, with the Commission (which shall be an automatic Shelf Registration Statement if the Company qualifies at such time to file such a Shelf Registration Statement) relating to the offer and sale of all Registrable Securities requested for inclusion therein by the Holder and (y) shall use its commercially reasonable efforts to cause such Shelf Registration Statement promptly to become effective under the Act.

(b) **Continued Effectiveness.** The Company shall use its commercially reasonable efforts to keep any Shelf Registration Statement filed pursuant to Section 5.1(a) continuously effective under the Act in order to permit the prospectus forming a part thereof to be usable in connection with any offers or sales from time to time thereunder, subject to Section 5.1(c), until the earlier of (i) the date as of which all Registrable Securities have been sold pursuant to the Shelf Registration Statement or another registration statement filed by the Company under the Act (but in no event prior to the applicable period referred to in Section 4(a)(3) of the Act and Rule 174 thereunder) and (ii) the date on which the Holder ceases to hold Registrable Securities (or have the right to exercise this Warrant for Registrable Securities) representing at least 0.5% of the fully diluted share capital of the Company (such period of effectiveness, the “**Shelf Period**”).

(c) **Suspension of Registration.** If the Company shall furnish to the Holder a certificate signed by the chief executive officer, chief financial officer or chief legal officer of the Company stating that the filing, amendment or continued use of a Shelf Registration Statement would require the Company to make public disclosure of material, non-public information that, in the Board’s good faith judgment, after consultation with outside counsel to the Company, (i) would be required to be made in any registration under the Act or report filed with the Commission by the Company so that such Shelf Registration Statement or report would not be materially misleading and would not be required to be made at such time but for the filing of such registration statement or report; and (ii) the Company has a bona fide business purpose for not disclosing such information publicly (an “**Adverse Disclosure**”), then the Company may suspend use of the Shelf Registration Statement (a “**Shelf Suspension**”); provided, however, that the Company shall not be permitted to exercise a Shelf Suspension more than twice in any twelve (12)-month period nor for more than an aggregate of one-hundred-twenty (120) days during any twelve (12)-month period; and provided further that the Company shall not register any securities for its own account or that of any other stockholder during any Shelf Suspension other than pursuant to an Excluded Registration or a registration on any form that does not include substantially the same information as would be required to be included in a registration statement covering the sale of the Registrable Securities; and provided, further, that in the event of a Shelf Suspension, such Shelf Suspension shall terminate at such earlier time as the Company would no longer be required to make any Adverse Disclosure. The Holder shall keep confidential the fact that a Shelf Suspension is in effect, the certificate referred to above and its contents unless and until otherwise notified by the Company, except for disclosures permitted in accordance with Section 10.7. In the case of a Shelf Suspension, the Holder agrees to suspend use of the applicable prospectus and any free writing prospectus approved by the Company in connection with any sale or purchase of, or offer to sell or purchase, Registrable Securities, upon receipt of the notice referred to above. The Company shall promptly notify the Holder upon the termination of any Shelf Suspension, amend or supplement the prospectus and any free writing prospectus approved by the Company, if necessary, so it does not contain any untrue statement or omission and furnish to the Holder such numbers of copies of the prospectus and any free writing prospectus approved by the Company as so amended or supplemented as the Holder may reasonably request. The Company agrees, if necessary, to supplement or make amendments to the Shelf Registration Statement if required by the registration form used by the Company for the applicable registration or by the instructions applicable to such registration form or by the Act or the rules or regulations promulgated thereunder, or as may reasonably be requested by the Holder.

(d) Underwritten Offerings. Notwithstanding anything to the contrary set forth herein, none of the Company, its directors, officers, advisors, consultants or employees will be required to (i) facilitate any offer or sale of securities by the Holder pursuant to the Shelf Registration Statement by way of an underwritten offering, (ii) provide any opinions of counsel or accountant "comfort" letters or facilitate due diligence in connection with any offer or sale by the Holder pursuant to the Shelf Registration Statement or (iii) participate in any "road show," "electronic road show" or other substantial marketing effort in connection with any offer or sale by the Holder pursuant to the Shelf Registration Statement.

(e) Piggyback Registration.

(i) At any time that the Holder holds at least 0.5% of the fully diluted share capital of the Company and the Company proposes to register (including, for this purpose, a registration effected by the Company for stockholders other than the Holder) any of its securities under the Act in connection with the public offering of such securities solely for cash (other than in an Excluded Registration), the Company shall, at such time, promptly give the Holder notice of such registration. Upon the request of the Holder given within five (5) days after such notice is given by the Company, the Company shall, subject to the provisions of Section 5.1(e)(ii), cause to be registered all of the Registrable Securities that the Holder has requested to be included in such registration. The Company shall have the right to terminate or withdraw any registration initiated by it under this Section 5.1(e) before the effective date of such registration, whether or not the Holder has elected to include Registrable Securities in such registration. The expenses (other than Selling Expenses) of such withdrawn registration shall be borne by the Company in accordance with Section 5.1(g). For the avoidance of doubt, the Holder shall not have any right to include Registrable Securities in the IPO or Qualified IPO.

(ii) In connection with any offering involving an underwriting of shares of the Company's capital stock pursuant to Section 5.1(e)(i), the Company shall not be required to include any of the Holder's Registrable Securities in such underwriting unless the Holder accepts the terms of the underwriting as agreed upon between the Company and its underwriters, and then only in such quantity as the underwriters in their sole discretion determine will not jeopardize the success of the offering by the Company. If the total number of securities, including Registrable Securities, requested to be included in such offering exceeds the number of securities proposed to be sold that the underwriters in their reasonable discretion determine is compatible with the success of the offering, then the Company shall be permitted to include all securities other than Registrable Securities proposed to be registered in such offering and, with respect to the Registrable Securities, shall be required to include in the offering only that number of the Registrable Securities which the underwriters and the Company in their sole discretion determine will not jeopardize the success of the offering.

(f) **Other Obligations.** Whenever required under this Section 5.1 to effect the registration of any Registrable Securities, the Company shall, as expeditiously as reasonably possible: (i) prepare and file with the Commission such amendments and supplements to such registration statement, and the prospectus used in connection with such registration statement, as may be necessary to keep such registration statement effective as provided for in this Warrant and to comply with the Act in order to enable the disposition of all securities covered by such registration statement; (ii) furnish to the Holder such number of copies of a prospectus, including a preliminary prospectus, any summary prospectus and each free writing prospectus (as defined in Rule 405 of the Act), as required by the Act, and such other documents as the Holder may reasonably request in order to facilitate its disposition of its Registrable Securities; (iii) use its commercially reasonable efforts to register and qualify the Registrable Securities covered by such registration statement under such other securities or blue-sky laws of such jurisdictions as shall be reasonably requested by the Holder; provided that the Company shall not be required to qualify to do business or to file a general consent to service of process in any such states or jurisdictions, unless the Company is already subject to service in such jurisdiction and except as may be required by the Act; (iv) use its commercially reasonable efforts to cause all such Registrable Securities covered by such registration statement to be listed on a national securities exchange or trading system and each securities exchange and trading system (if any) on which similar securities issued by the Company are then listed; (v) provide a transfer agent and registrar for all Registrable Securities registered pursuant to this Warrant and provide a CUSIP number for all such Registrable Securities, in each case not later than the effective date of such registration; (vi) notify the Holder, promptly after the Company receives notice thereof, of the time when such registration statement has been declared effective or a supplement to any prospectus forming a part of such registration statement has been filed; (vii) after such registration statement becomes effective, notify the Holder of any request by the Commission that the Company amend or supplement such registration statement or prospectus; and (viii) use commercially reasonable efforts to obtain the withdrawal of any order suspending the effectiveness of a registration statement, or the lifting of any suspension of the qualification (or exemption from qualification) of any of the Registrable Securities for sale in any jurisdiction at the earliest reasonable practicable date.

(g) **Expenses.** All expenses (other than Selling Expenses) incurred in connection with registrations, filings, or qualifications pursuant to this Section 5.1, including all registration, filing, and qualification fees, printers' and accounting fees and fees and disbursements of counsel for the Company shall be borne and paid by the Company; provided, however, that the Company shall not be required to pay for any expenses of any registration proceeding begun pursuant to Section 5.1(a) if the registration request is subsequently withdrawn at the request of the Holder (such expenses, "**Withdrawn Registration Expenses**"). The Holder shall bear all Selling Expenses and Withdrawn Registration Expenses, including, if necessary by promptly reimbursing the Company for the amount of any reasonable, documented out-of-pocket Withdrawn Registration Expenses.

(h) **Furnish Information.** It shall be a condition precedent to the obligations of the Company to take any action pursuant to this Section 5.1 with respect to the Registrable Securities of the Holder that such Holder shall furnish to the Company such information regarding itself, the Registrable Securities held by it, and the intended method of disposition of such securities as is reasonably required to effect the registration of the Registrable Securities.

(i) **Indemnification.** If any Registrable Securities are included in a registration statement under this Section 5.1:

(i) To the extent permitted by law, the Company will indemnify and hold harmless the Holder (including insofar as it is deemed to be an underwriter), and the partners, members, officers, directors, and stockholders of Holder; legal counsel and accountants for the Holder; and each Person, if any, who controls the Holder within the meaning of the Act or the Exchange Act, against any Damages, and the Company will pay to the Holder, controlling Person, or other aforementioned Person any legal or other expenses reasonably incurred thereby in connection with investigating or defending any claim or proceeding from which Damages may result, as such expenses are incurred; provided, however, that the indemnity agreement contained in this Section 5.1(i) shall not apply to amounts paid in settlement of any such claim or proceeding if such settlement is effected without the consent of the Company, which consent shall not be unreasonably withheld, nor shall the Company be liable for any Damages to the extent that they arise out of or are based upon actions or omissions made in reliance upon and in conformity with written information furnished by or on behalf of the Holder or any such controlling Person, or other aforementioned Person expressly for use in connection with such registration;

(ii) To the extent permitted by law, the Holder (including insofar as it is deemed an underwriter) will indemnify and hold harmless the Company, and each of its directors, each of its officers who has signed the registration statement, each Person (if any), who controls the Company within the meaning of the Act, legal counsel and accountants for the Company, any other shareholder selling securities in such registration statement, and any controlling Person of any such other shareholder, against any Damages, in each case only to the extent that such Damages arise out of or are based upon actions or omissions made in reliance upon and in conformity with written information furnished by or on behalf of the Holder expressly for use in connection with such registration; and the Holder will pay to the Company and each other aforementioned Person any legal or other expenses reasonably incurred thereby in connection with investigating or defending any claim or proceeding from which Damages may result, as such expenses are incurred; provided, however, that the indemnity agreement contained in this Section 5.1(i) shall not apply to amounts paid in settlement of any such claim or proceeding if such settlement is effected without the consent of the Holder, which consent shall not be unreasonably withheld; and provided, further, that in no event shall the aggregate amounts payable by the Holder by way of indemnity or contribution under Section 5.1(i)(ii) and Section 5.1(i)(iv) exceed the proceeds from the offering received by the Holder (net of any Selling Expenses paid by the Holder), except in the case of fraud or willful misconduct by the Holder;

(iii) Promptly after receipt by an indemnified party under this Section 5.1(i) of notice of the commencement of any action (including any governmental action) for which a party may be entitled to indemnification hereunder, such indemnified party will, if a claim in respect thereof is to be made against any indemnifying party under this Section 5.1(i), give the indemnifying party notice of the commencement thereof; provided, however, the failure to give such notice shall not release the indemnifying party from its obligation, except to the extent that the indemnifying party has been actually and materially prejudiced by such failure to provide such notice on a timely basis. The indemnifying party shall have the right to participate in such action and, to the extent the indemnifying party so desires, participate jointly with any other indemnifying party to which notice has been given, and to assume the defense thereof with counsel mutually satisfactory to the parties; provided, however, that an indemnified party (together with all other indemnified parties that may be represented without conflict by one counsel) shall have the right to retain one separate counsel, with the fees and expenses to be paid by the indemnifying party, if representation of such indemnified party by the counsel retained by the indemnifying party would be inappropriate due to actual or potential differing interests between such indemnified party and any other party represented by such counsel in such action;

(iv) To provide for just and equitable contribution to joint liability under the Act in any case in which either: (A) any party otherwise entitled to indemnification hereunder makes a claim for indemnification pursuant to this Section 5.1(i) but it is judicially determined (by the entry of a final judgment or decree by a court of competent jurisdiction and the expiration of time to appeal or the denial of the last right of appeal) that such indemnification may not be enforced in such case, notwithstanding the fact that this Section 5.1(i) provides for indemnification in such case, or (B) contribution under the Act may be required on the part of any party hereto for which indemnification is provided under this Section 5.1(i), then, and in each such case, such parties will contribute to the aggregate losses, claims, damages, liabilities, or expenses to which they may be subject (after contribution from others) in such proportion as is appropriate to reflect the relative fault of each of the indemnifying party and the indemnified party in connection with the statements, omissions, or other actions that resulted in such loss, claim, damage, liability, or expense, as well as to reflect any other relevant equitable considerations. The relative fault of the indemnifying party and of the indemnified party shall be determined by reference to, among other things, whether the untrue or allegedly untrue statement of a material fact, or the omission or alleged omission of a material fact, relates to information supplied by the indemnifying party or by the indemnified party and the parties' relative intent, knowledge, access to information, and opportunity to correct or prevent such statement or omission; provided, however, that, in any such case (1) the Holder will not be required to contribute any amount in excess of the public offering price of all such Registrable Securities offered and sold by the Holder pursuant to such registration statement, and (2) no Person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Act) will be entitled to contribution from any Person who was not guilty of such fraudulent misrepresentation; and provided, further, that in no event shall the Holder's liability pursuant to this Section 5.1(i)(iv), when combined with the amounts paid or payable by such Holder pursuant to Section 5.1(i)(ii), exceed the proceeds from the offering received by the Holder (net of any Selling Expenses paid by the Holder), except in the case of willful misconduct or fraud by the Holder.

(v) Unless otherwise superseded by an underwriting agreement entered into in connection with the underwritten public offering, the obligations of the Company and the Holder under this Section 5.1(i) shall survive the completion of any offering of Registrable Securities in a registration under this Section 5.1, and otherwise shall survive the termination of this Warrant.

(j) **Reports Under Exchange Act.** With a view to making available to the Holder the benefits of Commission Rule 144 and any other rule or regulation of the Commission that may at any time permit the Holder to sell securities of the Company to the public without registration or pursuant to a registration on Form F-3, the Company shall: (i) make and keep available adequate current public information, as those terms are understood and defined in Commission Rule 144, at all times after the effective date of the registration statement filed by the Company for the IPO; (ii) use commercially reasonable efforts to file with the Commission in a timely manner all reports and other documents required of the Company under the Act and the Exchange Act (at any time after the Company has become subject to such reporting requirements); and (iii) furnish to the Holder, so long as the Holder owns any Registrable Securities, forthwith upon request (A) to the extent accurate, a written statement by the Company that it has complied with the reporting requirements of Commission Rule 144 (at any time after ninety (90) days after the effective date of the registration statement filed by the Company for the IPO), the Act, and the Exchange Act (at any time after the Company has become subject to such reporting requirements), or that it qualifies as a registrant whose securities may be resold pursuant to Form F-3 (at any time after the Company so qualifies); and (B) such other information as may be reasonably requested in availing the Holder of any rule or regulation of the Commission that permits the selling of any such securities without registration (at any time after the Company has become subject to the reporting requirements under the Exchange Act) or pursuant to Form F-3 (at any time after the Company so qualifies to use such form).

(k) **Termination of Registration Rights.** The right of the Holder to request registration or inclusion of Registrable Securities in any registration pursuant to this Section 5.1 shall (in each case unless the Company and the Holder otherwise agree in writing) terminate upon the earlier to occur of (i) the date on which the Holder ceases to hold (or have the ability to exercise this Warrant for) Warrant Shares equal to at least 0.5% of the fully diluted share capital of the Company and (ii) the first anniversary of the Expiration Date.

**5.2 Cooperation in IPO.** The Holder shall (a) provide to the Company or the managing underwriter(s) such information (and such customary warranties) as the Company or the managing underwriter(s) may reasonably request in connection with the IPO regarding itself and its affiliates and its ownership of the Warrant, any Warrant Shares and any other relevant securities, to the extent necessary or customary to complete any associated registration statement or other disclosure or marketing document and procure that such information is true and accurate through the date of the IPO (and, accordingly, promptly correct any information provided), (b) execute such lock-up agreements or other restrictions on the sale of its Warrant Shares as may be required pursuant to Section 5.4, and (c) not exercise any rights as holder of Warrant Shares (provided, for the avoidance of doubt, that this clause (c) shall not require the Holder to vote any Warrant Shares held by it) to seek to obstruct the IPO, or disparage the IPO or the Company or its direct or indirect subsidiaries in connection with the IPO to third parties (provided that nothing contained in this Section 5.2 shall prevent the Holder from (w) making truthful responses to questions asked to it which neither it nor its affiliates have actively and deliberately solicited of one another, (x) performing its obligations or asserting and/or enforcing its rights as customer of the Company or its direct or indirect subsidiaries, (y) asserting and/or enforcing its rights under this Warrant, or (z) otherwise taking any other good faith action as customer of the Company or its direct or indirect subsidiaries). The foregoing clause (c) shall terminate and expire upon the earlier of the consummation of an IPO (including a Qualified IPO) and June 30, 2019.

**5.3 Information Rights.**

(a) If the Holder so requests, the Company shall deliver to the Holder:

(i) as soon as practicable, and in any event within 10 business days of the same becoming available after the end of each fiscal year of the Company (the date falling 90 days after the end of the relevant fiscal year being the applicable "Alternative Longstop"), an audited, reviewed or unaudited, as applicable, balance sheet and statement of shareholders' equity, as of the last day of such year, and an audited, reviewed or unaudited, as applicable, income statement and statement of cash flows for the period then ended, along with the notes to the financial statements, prepared in accordance with IFRS or US GAAP (as applicable);

(ii) as soon as practicable, and in any event within 10 business days of the same becoming available after the end of each of the first three fiscal quarters of the Company (the date falling 45 days after the end of the relevant fiscal quarter being the applicable "Alternative Longstop"), an unaudited income statement, an unaudited cash flow statement, an unaudited balance sheet and a statement of shareholders' equity, year to date and as of the end of such fiscal quarter;

(iii) within twenty business days after the end of a fiscal quarter of the Company, a capitalization table for the Company as of the end of such fiscal quarter that (A) provides detail as to each class of shares of the Company and each shareholder's equity and voting interest (x) in each class of shares and (y) in the aggregate (in the case of each of clauses (x) and (y), calculated based on shares issued and outstanding and fully diluted shares) and (B) includes exercise prices for options or other equity awards issued during such fiscal quarter and price per share information for any other equity transactions entered into by the Company, including issuances, sales, repurchases and redemptions, during such fiscal quarter; and

(iv) reasonably promptly following the Holder's request (which may not be made more frequently than once a fiscal quarter), any information reasonably requested by the Holder, and reasonably available to the Company without undue burden or expense, necessary to determine that the Company would not, after the exercise of this Warrant, be a "controlled foreign corporation" as such term is defined in Section 957(a) of the Code and that the Company is not a "passive foreign investment company" as such term is defined in Section 1297 of the Code; provided, that the Company shall not be required to disclose information which it reasonably determines to be confidential, provided in the case of (i) and (ii) that if the relevant statement is not provided by the applicable Alternative Longstop the Company shall (at no out-of-pocket cost to the Company), if the Holder so requests, use its reasonable efforts to collate and provide to the Holder such other information relating to the Company or any of its direct or indirect subsidiaries as is available and reasonably required and requested to permit the Holder or any of its affiliates to prepare or file any tax return or to complete their ordinary course internal audit processes.

(b) The Company shall:

(i) On or before February 15 of each calendar year, or as soon as reasonably practicable thereafter, provide such other information relating to the Company or any of its direct or indirect subsidiaries as reasonably requested by the Holder and as may be reasonably required for the Holder or any of its affiliates to prepare or file any tax return or to prepare such filings with respect to the Company or any of its affiliates as may be required by any tax authority to the extent such information is reasonably available to the Company without undue burden or expense;

(ii) upon the Holder's reasonable prior written request, grant the Holder and its affiliates reasonable access to the books, records and employees of the Company during normal business hours of the Company in order to obtain information legally required to file all tax returns required to be filed by the Holder or any of its affiliates; provided, that the Company shall not be required to disclose information which it reasonably determines to be confidential; and

(iii) reasonably cooperate (at no out-of-pocket cost to the Company) in preparing for any audit of, or dispute with a tax authority regarding any tax return of, the Holder or any of its affiliates relating to the Company or any of its direct or indirect subsidiaries.

(c) This Section 5.3 shall terminate upon an IPO. The Holder and its affiliates will only use the information provided under this Section 5.3 for their own bona fide (and ordinary course) tax, accounting and incident internal legal purposes.

#### 5.4 Market Stand-Off Agreement.

As a condition to the exercise of this Warrant, the Holder will agree that, to the extent requested by the managing underwriter(s) (as such managing underwriter(s) deem appropriate or advisable in support of the applicable offering), it will not, without the prior written consent of the managing underwriter(s), during the 180-day period following the effective date of the registration statement relating to the IPO or during the 90-day period following the effective date of a registration statement relating to a subsequent public offering in which the Holder has the opportunity to include Registrable Securities in such offering pursuant to Section 5.1, in each case which period may be extended upon the request of the managing underwriter(s), to the extent required by any NASDAQ or NYSE rules or consistent with then-prevailing market practice), (a) lend, offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, or otherwise transfer or dispose of, directly or indirectly, any Warrant Shares (or any securities convertible into or exercisable or exchangeable for Warrant Shares) held immediately before the effective date of the registration statement for such offering, or (b) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of the Warrant Shares, whether any such transaction described in clause (a) or (b) above is to be settled by delivery of Warrant Shares or other securities, in cash or otherwise. The foregoing provisions of this Section 5.4 shall not apply to the sale of any shares to an underwriter pursuant to an underwriting agreement and shall be applicable only if all senior officers and directors of the Company and holders of one percent (1%) or more of the outstanding Warrant Shares (after giving effect to the conversion into Warrant Shares of all outstanding Preference Shares) enter into similar agreements. The Holder further agrees to execute such agreements (including lock-up agreements) as may be reasonably requested by the underwriters in connection with the IPO or any subsequent registration in which the Holder has the opportunity to include Registrable Securities in such offering pursuant to Section 5.1 that are consistent with this Section 5.4; provided, that if the Holder enters into any such agreements, the provisions of such agreements shall govern instead of the provisions of this Section 5.4. Any discretionary waiver or termination by the Company or the underwriters of the restrictions of any similar market stand-off agreement to which the Company is a party shall apply pro rata to the Holder, based on the number of shares subject to the Holder's market stand-off agreement pursuant to this Section 5.4.



**6. Lost or Damaged Warrant Certificate**

Upon receipt by the Company of a letter from the Holder stating loss, theft, destruction or damage of this Warrant, the Company shall (upon being indemnified to its reasonable satisfaction) execute and deliver to the Holder, without charge, a new warrant with identical terms as this Warrant. No service charge shall be made by the Company for any such substitution, but all its expenses that may reasonably be incurred, and all stamp, tax and other governmental duties that may be imposed, in relation thereto shall be borne by the Holder.

**7. Notices of Record Date, etc.**

In the event of any corporate action requiring the Company to establish a record date for its shareholders or notice from the Company required by this Warrant, the Company shall mail to the Holder a written notice specifying (a) the date on which any such event is to occur or such record is to be taken, (b) if securities, rights or warrants are proposed to be issued or granted, the amount and character of any shares or other securities, or rights or warrants, proposed to be issued or granted, the date of such proposed issuance or grant and the persons or class of persons to whom such proposed issuance or grant is to be offered or made, and (c) in reasonable detail, the facts, including the proposed date, concerning any other such event. Such notice shall be delivered to the Holder at least 20 business days prior to the record date specified in the notice.

**8. Representations and Warranties of the Holder.**

**8.1 Investment Intent; Accredited Investor.** By accepting this Warrant, the Holder represents and warrants that it (a) is acquiring this Warrant for its own account and not with a view to, or for sale in connection with, resale or any distribution or public offering thereof within the meaning of the Act or as a nominee or agent, (b) does not as of the date of this Warrant have any contract, undertaking, agreement or arrangement with any person to sell, transfer or grant participations to such person or to any third person, with respect to the Warrant or the Warrant Shares, (c) understands that this Warrant and the Warrant Shares subject to this Warrant have not been registered under the Act by reason of their issuance in a transaction exempt from the registration and prospectus delivery requirements of the Act pursuant to Section 4(a)(2) thereof, and (d) is, and on the date of exercise of this Warrant for Warrant Shares will be, an "accredited investor" as such term is defined in Rule 501 of Regulation D promulgated under the Act. The Holder understands that the Warrant Shares may be notated with appropriate legends to reflect that the Warrant Shares are "restricted securities."

**8.2 Sophistication.** The Holder represents and warrants that the Holder, either alone or together with its representatives, has such knowledge, sophistication and experience in business and financial matters so as to be capable of evaluating the merits and risks of the prospective investment in the Warrant Shares, and has so evaluated the merits and risks of such investment. The Holder is able to bear the economic risk of an investment in the Warrant Shares and will be able to afford a complete loss of such investment.

**8.3 Authority.** The Holder represents and warrants that all corporate actions required to be taken, and approvals and consents required to be obtained, by the Holder in connection with the Holder's execution and delivery of this Warrant have been taken.

**9. Beneficial Ownership Limitation.**

“**Commission**” means the U.S. Securities and Exchange Commission.

“**Equity Interests**” means any and all (a) shares, interests, participations or other equivalents (however designated) of share capital or other voting securities of a corporation, any and all equivalent or analogous ownership (or profit) or voting interests in a Person (other than a corporation), (b) securities convertible into or exchangeable for shares, interests, participations or other equivalents (however designated) of capital stock or voting securities of (or other ownership or profit or voting interests in) such Person, and (c) any and all warrants, rights or options to purchase any of the foregoing, whether voting or nonvoting, and, in each case, whether or not such shares, interests, participations, equivalents, securities, warrants, options, rights or other interests are authorized or otherwise existing on any date of determination.

“**Exchange Act**” means the Securities Exchange Act of 1934, as amended, or any successor statute, and the rules and regulations promulgated thereunder.

“**Notice of Exercise**” means either a Notice of Cash Exercise or a Notice of Net Issuance Exercise, as applicable.

“**Person**,” for purposes of this Section 9, has (notwithstanding Section 1.3) the meaning given to it in Section 3(a)(9) of the Exchange Act and as used in Sections 13(d)(3) and 14(d)(2) of the Exchange Act.

“**Registered Equity Security**” means any class of securities that is an “equity security,” as such term is defined in Rule 13d-1(i) under the Exchange Act.

**9.1** The provisions of this Section 9 shall be applicable and effective only at such time when the Warrant Shares, or any shares or other securities into which the shares of Warrant Shares are directly or indirectly convertible or exchangeable, are of a class of Registered Equity Security.

**9.2** Notwithstanding anything in this Warrant to the contrary, the Company shall not honor any exercise of this Warrant, and the Holder shall not have the right to exercise any portion of this Warrant, to the extent that, after giving effect to an attempted exercise set forth on the Notice of Exercise, the Holder (together with the Holder’s affiliates, and any other Person whose beneficial ownership of a Registered Equity Security would be aggregated with the Holder’s for purposes of Section 13(d) or Section 16 of the Exchange Act, and the applicable regulations of the Commission, including any “group” of which the Holder is a member (the foregoing, “**Attribution Parties**”)) would beneficially own a number of shares of a Registered Equity Security in excess of the Beneficial Ownership Limitation (as defined below). For purposes of the foregoing sentence, the number of shares of a Registered Equity Security beneficially owned by the Holder and its Attribution Parties shall include the number of Warrant Shares issuable under the Notice of Exercise with respect to which such determination is being made but shall exclude the number of shares of such Registered Equity Security which are issuable upon (a) exercise of the remaining, unexercised portion of this Warrant beneficially owned by the Holder or any of its Attribution Parties, and (b) exercise or conversion of the unexercised or unconverted portion of any other securities of the Company (including any warrants) beneficially owned by the Holder or any of its Attribution Parties that are subject to a limitation on conversion or exercise similar to the limitation contained herein. For purposes of this Section 9, beneficial ownership shall be calculated in accordance with Section 13(d) of the Exchange Act and the applicable regulations of the Commission. In addition, for purposes hereof, “group” has the meaning set forth in Section 13(d) of the Exchange Act and the applicable regulations of the Commission. For purposes of this Section 9, in determining the number of issued and outstanding shares of a Registered Equity Security, the Holder may rely on the number of issued and outstanding shares of such Registered Equity Security as stated in the most recent of the following: (x) the Company’s most recent periodic or annual filing with the Commission, as the case may be, (y) a more recent public announcement by the Company that is filed with the Commission, or (z) a more recent notice by the Company or the Company’s transfer agent to the Holder setting forth the number of shares of such Registered Equity Security then issued and outstanding. Upon the written request of the Holder (which may be by email), the Company shall, within three (3) trading days thereof, confirm in writing to the Holder (which may be via email) the number of shares of any Registered Equity Security then issued and outstanding. In any case, the number of issued and outstanding shares of a Registered Equity Security shall be determined after giving effect to any actual conversion or exercise of securities of the Company, including exercise of this Warrant, by the Holder or its Attribution Parties since the date as of which such number of issued and outstanding shares of such Registered Equity Security was last publicly reported or confirmed to the Holder. The Company shall be entitled to rely on representations made to it by the Holder in any Notice of Exercise regarding its Beneficial Ownership Limitation. The Holder acknowledges that the Holder is solely responsible for any schedules or statements required to be filed by it in accordance with Section 13(d) or Section 16(a) of the Exchange Act.

**9.3** The “*Beneficial Ownership Limitation*” shall initially be 4.999% of the number of shares of any Registered Equity Security issued and outstanding immediately after giving effect to the issuance of Warrant Shares pursuant to such Notice of Exercise (to the extent permitted pursuant to this Section 9); provided, however, that by written notice to the Company, which will not be effective until the 61st day after such notice is delivered by the Holder to the Company, the Holder may waive or amend the provisions of this Section 9 to change the Beneficial Ownership Limitation to any other number, and the provisions of this Section 9 shall continue to apply. Upon any such waiver or amendment to the Beneficial Ownership Limitation, the Beneficial Ownership Limitation may not be further waived or amended by the Holder without first providing the minimum written notice required by the immediately preceding sentence. Notwithstanding the foregoing, at any time after receiving notice of a Reorganization that is pursuant to any tender offer or exchange offer by the Company or another Person (other than the Holder or any affiliate of the Holder), the Holder may waive or amend the Beneficial Ownership Limitation effective immediately upon written notice to the Company and may reinstitute a Beneficial Ownership Limitation at any time thereafter effective immediately upon written notice to the Company.

**9.4** Notwithstanding the provisions of this Section 9, none of the provisions of this Section 9 shall restrict in any way the number of Warrant Shares which the Holder may receive or beneficially own in order to determine the amount of securities or other consideration that the Holder may receive in the event of a Reorganization as contemplated in Section 4 of this Warrant.

**10. Miscellaneous**

**10.1 No Shareholder Rights or Liabilities.** Except as explicitly set forth in this Warrant (including Section 7 of this Warrant), prior to exercise, this Warrant shall not entitle the Holder to any voting rights or other rights as a shareholder of the Company (including rights to (a) receive dividends or other distributions, (b) consent to any action of the shareholders of the Company, (c) receive notice of or vote at any meeting of the shareholders, (d) receive notice of any other proceedings of the Company). Nothing contained in this Warrant shall be construed as imposing any obligation on the Holder to purchase any securities or any liabilities as a shareholder of the Company, in each case without prejudice to any obligations or liabilities arising as a result of the receipt or holding of Warrant Shares following exercise of this Warrant and without prejudice to the obligations of the Holder with respect to the consideration payable for exercise of this Warrant pursuant to Section 1.1 or Section 1.2 hereof.

**10.2 Notices.** Any notice under this Warrant shall be given in writing and shall be deemed sufficient if given by nationally recognized overnight courier service, certified mail (return receipt requested), or personal delivery to the other party at the address below. Notice is effective: (i) when delivered personally, (ii) three business days after sent by certified mail, (iii) on the business day after sent by a nationally recognized courier service. A party may change its notice address by giving notice in accordance with this section.

If to the Holder:

Amazon.com NV Investment Holdings LLC  
8329 West Sunset Road, Suite 200  
Las Vegas, NV 89113  
Attn: General Counsel

with a copy to:

Amazon.com, Inc.  
410 Terry Avenue North  
Seattle, WA 98109-5210  
Attn: General Counsel

If to the Company:

IBEX Holdings Limited  
Crawford House, 50 Cedar Avenue  
Hamilton HM11 Bermuda  
Attn: Legal Department with a courtesy copy (the delivery or otherwise of which shall not affect due delivery under this Section 10.2) to: pat.costello@trgworld.com mohammed.khaishgi@trgworld.com

**10.3 Amendments and Waivers.** Any term of this Warrant may be amended, and the observance of any term may be waived (either generally or in a particular instance and either retroactively or prospectively), only with the written consent of the Company and the Holder.

**10.4 Governing Law; Severability; Jurisdiction; Venue; Income Tax Treatment.** This Warrant shall be governed by and construed under the laws of the State of New York without regard to principles of conflict of laws. If any paragraph, provision or clause of this Warrant shall be found or be held to be illegal, invalid or unenforceable, the remainder of this Warrant shall be valid and enforceable and the parties in good faith shall negotiate a substitute, valid and enforceable provision that most nearly effects the parties' intent in entering into this Warrant. The parties irrevocably consent to the jurisdiction and venue of the state and federal courts located in New York, New York in connection with any action relating to this Warrant. The parties acknowledge that (a) this Warrant is not being issued in connection with the performance of services within the meaning of Section 83 of the Code, (b) the Holder shall control the valuation of this Warrant for all U.S. tax purposes, which valuation shall be performed by a third-party valuation firm selected by the Holder and, (c) the issuance of this Warrant represents a closed transaction for U.S. income tax purposes. The parties shall not take a position on any U.S. income tax return inconsistent with the foregoing sentence.

**10.5 Successors and Assigns; Transfer.** The terms and conditions of this Warrant shall inure to the benefit of, and be binding on the respective successors and assigns of, the parties, provided that neither the Company nor the Holder may assign its obligations or rights under this Warrant, including any assignment by operation of law, whether in connection with a Reorganization or otherwise, without the prior written consent of the Holder or the Company (respectively), except (a) the Company may transfer its right and obligations hereunder to its successor entity in a Reorganization, subject to compliance with the provisions of this Warrant, and (b) the Holder may transfer, in whole or in part, this Warrant and all rights hereunder, without charge to the Holder, to any of its Permitted Transferees (provided that, prior to any such transferee ceasing to be a Permitted Transferee, the Holder shall, as promptly as reasonably practicable, procure that such rights and obligations are transferred back to the Holder or another Permitted Transferee, and provided further that any such transfer shall not relieve the transferee and its affiliates from the restrictions set forth in Section 5.3(c) hereof). In the event of a transfer in accordance with Section 10.5, the Holder shall surrender this Warrant properly endorsed or accompanied by written instructions of transfer attached as *Exhibit C* and the Company shall issue a new warrant reflecting such transfer but otherwise identical to this Warrant. "**Permitted Transferee**" means any affiliate of the Holder that is ACI or any of its direct or indirect subsidiaries.

**10.6 Automatic Exercise.** To the extent this Warrant is not previously exercised as to all of the Warrant Shares subject hereto, and if the Fair Market Value of one Warrant Share (at such measurement date) is greater than the Exercise Price, this Warrant shall be deemed automatically exercised pursuant to a cashless exercise under and in accordance with Section 1.2 (even if not surrendered) immediately before its expiration. For purposes of this Section 10.6, the Fair Market Value of one Warrant Share shall be determined pursuant to Section 1.2. To the extent this Warrant or any portion thereof is deemed automatically exercised pursuant to this Section 10.6, the Company agrees promptly to notify the Holder in writing of the number of Warrant Shares, if any, the Holder is to receive by reason of such automatic exercise.

**10.7 Confidentiality and Disclosure.** Each party agrees to keep confidential and will not disclose, divulge, or use for any purpose (other than in the case of the Holder to monitor its investment in the Company) any confidential information obtained pursuant to the terms of this Warrant (including, in the case of the Holder, all information provided to the Holder under Section 5.3), including the existence or the terms of this Warrant (and information solely obtained pursuant hereto), and it shall not disclose any such confidential information unless such confidential information (a) is known or becomes known to the public in general (other than as a result of a breach of this Section 10.7 by the party seeking to make disclosure), (b) is or has been independently developed or conceived by the relevant party without the use of the other party's confidential information, or (c) is or has been made known or disclosed to the relevant party by a third party without a breach of any obligation of confidentiality such third party may have to the other party hereto; provided, however, that either party may disclose confidential information (x) to its attorneys, accountants, consultants, and other professionals owing duties of confidentiality solely to the extent necessary to obtain their services on the condition that such persons are instructed as to the confidential nature of such information, or (y) as may otherwise be required pursuant to judicial or administrative order, applicable laws or regulations (including, without limitation, rules and regulations of the Commission) or applicable rules governing the stock exchange on which the Company's or any of its affiliate's shares may become traded (collectively, "**Applicable Law**"). In the event of disclosure of the information subject to this Section 10.7 (including for the avoidance of doubt, the Warrant), or of the Commercial Agreement (including any schedules, addendums, exhibits or supplements thereto) or excerpts therefrom, summary thereof or information relating thereto, being required pursuant to Applicable Law, including, without limitation, in connection with the submission or filing of any registration statement (whether or not on a confidential basis), the party hereto seeking to make disclosure may do so provided that it: (i) shall, to the extent permitted by Applicable Law, provide the other party hereto with prompt written notice, seeking in good faith to do so prior to making such disclosure, (ii) shall, to the extent reasonably requested, use commercially reasonable efforts to cooperate with the other party to reduce the scope of such disclosure such that disclosure is made only of that portion of the information which is legally required, and (iii) shall, if confidential treatment or a protective order is reasonably requested by the other party hereto with respect to all or a portion of the disclosure, and the disclosing party (after consultation with its counsel) has in good faith determined that such confidential treatment request is not frivolous, at the cost of the party hereto requesting such confidential treatment or protective order, file a request for confidential treatment or protective order, as applicable, and use its commercially reasonable efforts in responding to any comments from the Commission or other relevant regulatory body or stock exchange in pursuing the grant of confidential treatment or protective order; provided, that, except as expressly provided in this sentence with respect to the Commercial Agreement, nothing contained in this Section 10.7 shall in any way limit, supersede or alter any rights or obligations of the parties with respect to confidentiality set forth in any other agreement between the parties. The party seeking to make disclosure shall (A) provide the other party with drafts of any requests for confidential treatment or protective order and any other documents, press releases or other disclosures or filings in which the party seeking to make disclosure is required to disclose this Warrant or any provision hereof as soon as possible, using all reasonable efforts to provide the same no less than five (5) business days prior to the submission, filing or disclosure thereof where practicable to do so, and (B) cooperate in good faith with the other party (including, without limitation, providing the other party with a reasonable opportunity to review and comment on any comments or other communication received by the Commission or other regulatory body or stock exchange relating thereto, and the responses to any such comments or other communication), and (C) consider in good faith and make any changes to such materials as may be reasonably requested by the other party. The Holder confirms, in this regard, that it is aware of the restrictions imposed by United States securities laws relating to the purchase and sale of securities by any person who has received material, non-public information about the issuer of such securities and on the communication of such information to any third party when it is reasonably foreseeable that such third party is likely to purchase or sell such securities in reliance upon such information. This Section 10.7 shall, notwithstanding any mutual non-disclosure agreement otherwise of general application, but without prejudice to Applicable Law, comprise the sole confidentiality obligations of the parties hereto with respect to this Warrant (and accordingly shall prevail in the event of any conflict between the terms of this Warrant and any other agreement as to confidentiality expressly regarding the Warrant that does not specifically and expressly override this provision).

**10.8 Specific Performance.** The parties hereto agree that failure of any party hereto to perform its agreements and covenants hereunder, including a party's failure to take all actions as are necessary on such party's part in accordance with the terms and conditions of this Warrant, will cause irreparable injury to the other party, for which monetary damages will not be an adequate remedy. It is agreed that the parties shall be entitled to specific performance of the terms hereof, without the requirement of posting a bond or other security, and each party hereby consents to the issuance of injunctive relief by any court of competent jurisdiction to compel performance of a party's obligations and to the granting by any court of the remedy of specific performance of such party's obligations hereunder, this being in addition to any other remedies to which the parties are entitled at law or equity.

**10.9 Headings.** The headings in this Warrant are for purposes of reference only and shall not limit or otherwise affect the meaning of any provision of this Warrant.

**10.10 Severability.** The invalidity or unenforceability of any provision hereof shall in no way affect the validity or enforceability of any other provision. The parties further agree to replace such void or unenforceable provision of this Warrant with a valid and enforceable provision that will achieve, to the extent possible, the economic, business and other purposes of such void or unenforceable provision.

**10.11 Entire Agreement.** This Warrant (including the exhibits hereto) constitutes the full and entire understanding and agreement between the parties with respect to the subject matter hereof, and any other written or oral agreement relating to the subject matter hereof existing between the parties are expressly canceled.

**10.12 Times of day, business days.** References to times of day are to New York City times, and to business days are days other than Saturdays, Sundays or days where banks are closed for general business in New York or Hamilton, Bermuda (in each case unless otherwise specified herein).

CONFIDENTIAL TREATMENT HAS BEEN REQUESTED AS TO CERTAIN PORTIONS OF THIS DOCUMENT. EACH SUCH PORTION, WHICH HAS BEEN OMITTED HEREIN AND REPLACED WITH THREE ASTERISKS (\*\*\*) , HAS BEEN FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION.

**10.13 Counterparts.** This Warrant may be executed in two (2) or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Counterparts may be delivered via facsimile, electronic mail (including .pdf) or other transmission method and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes.

**10.14 Waiver of Jury Trial.** EACH PARTY HEREBY WAIVES ITS RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF THIS WARRANT, THE WARRANT SHARES OR THE SUBJECT MATTER HEREOF. THE SCOPE OF THIS WAIVER IS INTENDED TO BE ALL-ENCOMPASSING OF ANY AND ALL DISPUTES THAT MAY BE FILED IN ANY COURT AND THAT RELATE TO THE SUBJECT MATTER OF THIS TRANSACTION, INCLUDING, WITHOUT LIMITATION, CONTRACT CLAIMS, TORT CLAIMS (INCLUDING NEGLIGENCE), BREACH OF DUTY CLAIMS, AND ALL OTHER COMMON LAW AND STATUTORY CLAIMS. THESE PROVISIONS WILL NOT BE SUBJECT TO ANY EXCEPTIONS. EACH PARTY HERETO HEREBY FURTHER WARRANTS AND REPRESENTS THAT SUCH PARTY HAS REVIEWED THIS WAIVER WITH ITS LEGAL COUNSEL, AND THAT SUCH PARTY KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS FOLLOWING CONSULTATION WITH LEGAL COUNSEL.

IN WITNESS WHEREOF, the each of the parties hereto has executed this Warrant as of the date first written above.

**COMPANY: IBEX HOLDINGS LIMITED**

**HOLDER: AMAZON.COM NV INVESTMENT HOLDINGS LLC**

/s/ Mohammed Khaishgi  
**Name:** Mohammed Khaishgi  
**Title:** CEO

/s/ Alex Ceballos  
**Name:** Alex Ceballos  
**Title:** Vice President