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SPRINT Corp  
Form IRANNOTICE  
February 24, 2014

Sprint Corporation  
6200 Sprint Parkway  
Overland Park, KS 66251

February 24, 2014

VIA EDGAR

United States Securities and Exchange Commission  
100 F Street, N.E.  
Washington, D.C. 20549-7010

Re: Notice of Disclosure Filed in the Annual Report on Form 10-K under Section 219 of the Iran Threat Reduction and Syria Human Rights Act of 2012 and Section 13(r) of the Exchange Act

Ladies and Gentlemen:

Pursuant to Section 219 of the Iran Threat Reduction and Syria Human Rights Act of 2012 and Section 13(r) of the Securities Exchange Act of 1934, notice is hereby provided that Sprint Corporation has made disclosure pursuant to those provisions in its Annual Report on Form 10-K for the year ended December 31, 2013, which was filed with the Securities and Exchange Commission on February 24, 2014.

SPRINT CORPORATION

/s/ Paul W. Schieber, Jr.  
Paul W. Schieber, Jr.  
Vice President and Controller  
(Principal Accounting Officer)

=>

Accounts payable

\$

250

(127

)3)

|                           |        |
|---------------------------|--------|
|                           | 123    |
| Accrued liabilities       |        |
|                           | 824    |
|                           | (283   |
| ) (3)                     |        |
|                           | 541    |
| Deferred revenue          |        |
|                           | 1,568  |
|                           | (876   |
| ) (3)                     |        |
|                           | 692    |
| Total current liabilities |        |
|                           | 2,642  |
|                           | (1,286 |
| )                         |        |
|                           | 1,356  |

Other long-term liabilities

144

144

Total liabilities

2,786

(1,286

)

1,500

Commitments and contingencies

Stockholders' equity:

Preferred Stock

Common stock

3,096

3,096

Additional paid-in-capital

143,712

143,712

Accumulated other comprehensive income

2,178

|  |          |
|--|----------|
|  | 2,178    |
| Accumulated deficit                        |          |
|  | (142,846 |
| )  |          |
|  | 2,206    |
| (4)  |          |
|  | (140,640 |
| )  |          |
| Total stockholders' equity                 |          |
|  | 6,140    |
|  | 2,206    |
|  | 8,346    |
| Total liabilities and stockholders' equity |          |

\$

8,926

\$

920

9,846

---

(1) To reflect \$2.4 million cash received from the Asset Sale net of \$0.5 million transaction related costs.

(2) To remove assets sold in the Asset Sale.

(3) To remove liabilities assumed in the Asset Sale.

(4) To reflect the reduction in net assets and liabilities and the net gain recognized as a result of the Asset Sale.

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**Householding of Materials**

The SEC has adopted rules that permit companies and intermediaries (e.g., brokers) to satisfy the delivery requirements for consent statements with respect to two or more security holders sharing the same address by delivering a single consent statement addressed to those security holders. This process, which is commonly referred to as householding, potentially means extra convenience for security holders and cost savings for companies.

Brokers with account holders who are TigerLogic Corporation stockholders may be householding our Consent Statement. A single Consent Statement may be delivered to multiple stockholders sharing an address unless contrary instructions have been received from the affected stockholders. Once you have received notice from your broker or us that they will be householding communications to your address, householding will continue until you are notified otherwise or until you revoke your consent. If, at any time, you no longer wish to participate in householding and would prefer to receive a separate Consent Statement or, alternatively, if you wish to receive a single copy of the material instead of multiple copies, please notify your broker and direct your request to TigerLogic Corporation, Attention: Secretary, 1532 SW Morrison Street, Suite 200, Portland, Oregon 97205.

**Where You Can Find Additional Information**

We file annual, quarterly and current reports, proxy and information statements and other information with the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended. You may read and copy this information at the Public Reference Section at the Securities and Exchange Commission at 450 Fifth Street, NW, Judiciary Plaza, Washington, DC 20549. You may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-732-0330. The SEC maintains an Internet site that contains reports, proxy and information statements, and other information about issuers that file electronically with the SEC. The address of that site is <http://www.sec.gov>. Our public filings are also available to the public from commercial document retrieval services.



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**Report of Independent Registered Public Accounting Firm**

The Board of Directors and Stockholders

TigerLogic Corporation:

We have audited the accompanying consolidated balance sheets of TigerLogic Corporation and subsidiaries as of March 31, 2015 and 2014, and the related consolidated statements of comprehensive income (loss), cash flows, and stockholders' equity for each of the years in the two-year period ended March 31, 2015. These consolidated financial statements are the responsibility of TigerLogic Corporation's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits 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. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide 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 TigerLogic Corporation and subsidiaries as of March 31, 2015 and 2014, and the results of their operations and their cash flows for each of the years in the two-year period ended March 31, 2015, in conformity with U.S. generally accepted accounting principles.

/s/ KPMG LLP

Santa Clara, California

June 18, 2015

Table of Contents**TIGERLOGIC CORPORATION AND SUBSIDIARIES****CONSOLIDATED BALANCE SHEETS****(In thousands, except share and per share data)**

|   | March 31,<br>2015 | March 31,<br>2014 |
|---|-------------------|-------------------|
| <b>ASSETS</b>   |                   |                   |
| Current assets:   |                   |                   |
| Cash  | \$ 10,251         | \$ 18,602         |
| Trade accounts receivable, less allowance for doubtful accounts of \$0 in 2015 and \$43 in 2014   | 1,291             | 934               |
| Receivable from sale of MDMS business   |                   | 2,200             |
| Other current assets  | 460               | 553               |
| Total current assets  | 12,002            | 22,289            |
| Property, furniture and equipment, net  | 869               | 575               |
| Goodwill  |                   | 18,183            |
| Intangible assets, net  | 363               | 510               |
| Deferred tax assets   | 94                | 109               |
| Other assets  | 54                | 73                |
| Total assets  | \$ 13,382         | \$ 41,739         |
| <b>LIABILITIES AND STOCKHOLDERS EQUITY</b>  |                   |                   |
| Current liabilities:  |                   |                   |
| Accounts payable  | \$ 295            | 349               |
| Accrued liabilities   | 1,525             | 1,892             |
| Deferred revenue  | 1,905             | 1,599             |
| Total current liabilities   | 3,725             | 3,840             |
| Other long-term liabilities   | 101               | 122               |
| Total liabilities   | 3,826             | 3,962             |
| Commitments and contingencies   |                   |                   |
| Stockholders' equity:   |                   |                   |
| Series A convertible preferred stock: \$1.00 par value; 5,000,000 shares authorized; none issued or outstanding at March 31, 2015 and 2014                  |                   |                   |
| Common stock: \$0.10 par value; 100,000,000 shares authorized; 30,955,697 and 30,117,234 issued and outstanding as of March 31, 2015 and 2014, respectively | 3,096             | 3,012             |
| Additional paid-in-capital  | 143,389           | 142,848           |
| Accumulated other comprehensive income  | 2,174             | 2,360             |
| Accumulated deficit   | (139,103)         | (110,443)         |
| Total stockholders' equity  | 9,556             | 37,777            |
| Total liabilities and stockholders' equity  | \$ 13,382         | \$ 41,739         |

See accompanying notes to the consolidated financial statements.



Table of Contents**TIGERLOGIC CORPORATION AND SUBSIDIARIES****CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)****(In thousands except per share data)**

|  | <b>For the years Ended March 31,</b> |                 |
|--|--------------------------------------|-----------------|
|  | <b>2015</b>                          | <b>2014</b>     |
| <b>Net revenues:</b>   |                                      |                 |
| Licenses   | \$ 2,274                             | \$ 2,264        |
| Subscription   | 2,365                                | 1,157           |
| Services   | 2,354                                | 2,069           |
| <b>Total net revenues</b>  | <b>6,993</b>                         | <b>5,490</b>    |
| <b>Operating expenses:</b>   |                                      |                 |
| Cost of subscription revenues  | 721                                  | 283             |
| Cost of service revenues   | 432                                  | 450             |
| Cost of service revenues-revenue sharing settlement  |                                      | 1,000           |
| Selling and marketing  | 5,649                                | 5,918           |
| Research and development   | 3,986                                | 4,441           |
| General and administrative   | 6,653                                | 4,350           |
| Impairment of goodwill   | 18,183                               |                 |
| Acquisition related costs  |                                      | 209             |
| <b>Total operating expenses</b>  | <b>35,624</b>                        | <b>16,651</b>   |
| Operating loss from continuing operations  | (28,631)                             | (11,161)        |
| <b>Other income (expense):</b>   |                                      |                 |
| Interest income (expense)-net  | (3)                                  | (6)             |
| Other income (expense)-net   | 59                                   | (62)            |
| Total other income (expense)-net   | 56                                   | (68)            |
| Loss before income taxes from continuing operations  | (28,575)                             | (11,229)        |
| Income tax provision (benefit)   | 85                                   | (3,965)         |
| Net loss from continuing operations  | (28,660)                             | (7,264)         |
| <b>Discontinued operations:</b>  |                                      |                 |
| Income from discontinued operations, net of tax  |                                      | 2,641           |
| Gain on sale of discontinued operations, net of tax  |                                      | 5,918           |
| Income from discontinued operations  |                                      | 8,559           |
| <b>Net income (loss)</b>   | <b>\$ (28,660)</b>                   | <b>\$ 1,295</b> |
| <b>Other comprehensive income (loss):</b>  |                                      |                 |
| Foreign currency translation adjustments   | (186)                                | 103             |
| <b>Total comprehensive income (loss)</b>   | <b>\$ (28,846)</b>                   | <b>\$ 1,398</b> |
| <b>Basic and diluted net income (loss) per share:</b>  |                                      |                 |
| Loss from continuing operations  | \$ (0.93)                            | \$ (0.24)       |
| Income from discontinued operations  | \$                                   | \$ 0.28         |
| <b>Net income (loss)</b>   | <b>\$ (0.93)</b>                     | <b>\$ 0.04</b>  |
| Shares used in computing net loss from continuing operations per share, income from discontinued operations per share, and net income (loss) per share | 30,691                               | 30,255          |

See accompanying notes to the consolidated financial statements.



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|  | <b>For the Years Ended March 31</b> |             |
|--|-------------------------------------|-------------|
|  | <b>2015</b>                         | <b>2014</b> |
| <b>Cash flows from operating activities:</b>   |                                     |             |
| Net income (loss)  | \$ (28,660)                         | \$ 1,295    |
| Adjustments to reconcile net income (loss) to net cash used in operating activities: |                                     |             |
| Gain on sale of discontinued operations  |                                     | (9,926)     |
| Impairment of goodwill   | 18,183                              |             |
| Depreciation and amortization of long-lived assets                                   | 328                                 | 191         |
| Provision for (recovery of) bad debt   | (71)                                | 133         |
| Stock-based compensation expense   | 601                                 | 1,293       |
| Change in deferred tax assets  | 48                                  | 120         |
| Foreign currency exchange gain   | (42)                                | (46)        |
| Change in operating assets and liabilities, net of discontinued operations:          |                                     |             |
| Trade accounts receivable  | (360)                               | (970)       |
| Other current assets   | (33)                                | 138         |
| Accounts payable   | (32)                                | (98)        |
| Accrued liabilities  | (434)                               | (633)       |
| Deferred revenue   | 438                                 | 941         |
| Net cash used in operating activities  | (10,034)                            | (7,562)     |
| <b>Cash flows from investing activities:</b>   |                                     |             |
| Purchases of property, plant and equipment   | (331)                               | (183)       |
| Proceeds from sale of discontinued operations  |                                     | 19,800      |
| Net cash provided (used) by investing activities                                     | (331)                               | 19,617      |
| <b>Cash flows from financing activities:</b>   |                                     |             |
| Proceeds from exercise of stock options  | 16                                  | 59          |
| Proceeds from issuance of common stock   | 11                                  | 37          |
| Proceeds from sale of discontinued operations  | 2,200                               |             |
| Net cash provided by financing activities  | 2,227                               | 96          |
| Effect of exchange rate changes on cash  | (213)                               | (14)        |
| Net increase (decrease) in cash  | (8,351)                             | 12,137      |
| Cash at beginning of the period  | 18,602                              | 6,465       |
| Cash at end of the period  | \$ 10,251                           | \$ 18,602   |
| <b>Supplemental disclosures:</b>   |                                     |             |
| Cash paid for income taxes   | \$ 102                              | \$ 488      |

See accompanying notes to the consolidated financial statements.





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**TIGERLOGIC CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF STOCKHOLDERS EQUITY**

**For the Years Ended March 31, 2015 and 2014**

**(In thousands, except share amounts)**

|   | Common Stock<br>Shares | Common Stock<br>Amount | Additional<br>Paid-In<br>Capital | Accumulated<br>Other<br>Comprehensive<br>Income | Accumulated<br>Deficit | Stockholders<br>Equity |
|---|------------------------|------------------------|----------------------------------|---|------------------------|------------------------|
| Balances March 31, 2013                         | 29,931,248             | 2,993                  | 141,478                          | 2,257   | (111,738)              | 34,990                 |
| Stock option and purchase plan<br>issuances     | 185,986                | 19                     | 77                               |   |                        | 96                     |
| Stock-based compensation                        |                        |                        | 1,293                            |   |                        | 1,293                  |
| Net income                                      |                        |                        |                                  |   | 1,295                  | 1,295                  |
| Foreign currency translation<br>adjustments     |                        |                        |                                  | 103   |                        | 103                    |
| Balances March 31, 2014                         | 30,117,234             | 3,012                  | 142,848                          | 2,360   | (110,443)              | 37,777                 |
| Stock option and purchase plan<br>issuances     | 37,776                 | 4                      | 20                               |   |                        | 24                     |
| Holdback shares issued for acquired<br>business | 800,687                | 80                     | (80)                             |   |                        |                        |
| Stock-based compensation                        |                        |                        | 601                              |   |                        | 601                    |
| Net loss  |                        |                        |                                  |   | (28,660)               | (28,660)               |
| Foreign currency translation<br>adjustments     |                        |                        |                                  | (186)   |                        | (186)                  |
| Balances March 31, 2015                         | 30,955,697             | \$ 3,096               | \$ 143,389                       | \$ 2,174  | \$ (139,103)           | \$ 9,556               |

See accompanying notes to the consolidated financial statements.

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**TIGERLOGIC CORPORATION AND SUBSIDIARIES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**1. Organization**

TigerLogic Corporation's (the Company) principal business is the design, development, sale, and support of rapid application development software known as Omnis and a hosted social media visualization platform known as Postano. The Company's Omnis software tools are sold to in-house corporate development teams, commercial application developers, system integrators, independent software vendors, value added resellers and independent consultants. The Company's Postano product line, which is sold as a subscription, is a real-time social media content aggregation, activation, and visualization platform used by our customers for fan engagement. In addition, the Company provides continuing maintenance and customer support and, to a lesser extent, professional services and training.

On November 15, 2013, the Company completed the sale of its assets dedicated to the multidimensional database management system ( MDMS ) and related connectivity products known as the MDMS family of products, including D3, mvBase, mvEnterprise and the Pick connectivity products (the MDMS Business ), and the related underlying enterprise resource planning ( ERP ) platform required to support the MDMS Business, to Rocket Software, Inc. ( Rocket ). As a result of this divestiture, the historical results of the MDMS Business have been reclassified and presented as discontinued operations for all periods presented. See Note 3 for additional information related to the disposition of the MDMS Business.

*Reclassifications.* Certain reclassifications have been made to the 2014 financial statements and disclosures to conform to the current year presentation consisting of separating subscription revenues from other services revenue as well as related costs of the respective services.

**2. Summary of Significant Accounting Policies**

Significant accounting policies applied in the preparation of the accompanying consolidated financial statements of the Company are as follows:

*Principles of Consolidation.* The accompanying consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries. All significant intercompany balances and transactions have been eliminated.

*Revenue Recognition.* Revenue attributable to an element in a customer arrangement is recognized when persuasive evidence of an arrangement exists, delivery has occurred, the fee is fixed or determinable, and collectability is probable. If, at the outset of the customer arrangement, we determine that the arrangement fee is not fixed or determinable, we defer the revenue and recognize the revenue when the arrangement fee becomes due and payable.

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We do not have price protection programs or conditional acceptance agreements, and sales of our products are made without right of return.

For contracts with multiple software and software-related elements, we recognize revenue for the delivered elements, generally software licenses, using the residual value method when vendor-specific objective evidence (VSOE) of fair value exists for all undelivered elements, consisting primarily of post-contract customer support (PCS). PCS is recognized ratably over the support term.

For our hosted software subscription arrangements, subscription revenue is recognized ratably over the subscription period. We also have professional services revenue consisting of consulting and training services that are either recognized as the services are performed or upon the completion of the services depending on the nature of the services. When subscription arrangements involve multiple elements that qualify as separate units of accounting, we allocate arrangement consideration to all deliverables based on the relative stand-alone selling price method in accordance with the selling price hierarchy, which includes: (i) VSOE if available; (ii) third-party evidence (TPE) if VSOE is not available; and (iii) best estimate of selling price (BESP) if neither VSOE nor TPE is available. Revenue allocated to each deliverable, limited to the amount not contingent on future performance, is then recognized when the basic revenue recognition criteria are met for the respective deliverables. When subscription arrangements involve multiple elements that do not qualify as separate units of accounting, the entire arrangement consideration is recognized over the subscription period.

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We determine whether VSOE can be established based on our historical pricing and discounting practices for the specific deliverable when sold separately. In determining VSOE, we require that a substantial majority of the selling prices fall within a reasonably narrow pricing range. We have established VSOE for our PCS included in our software arrangements, but have not yet been able to establish VSOE for our subscription or other services.

When VSOE cannot be established for our subscription and other services, we apply judgment with respect to whether we can establish a selling price based on TPE. TPE is determined based on third party pricing practices for similar deliverables when sold separately. Generally, our pricing strategy differs from that of our peers and our offerings contain a significant level of differentiation such that the comparable pricing of services with similar functionality cannot be obtained. Furthermore, typically, we are unable to reliably determine what similar competitors' selling prices are on a stand-alone basis. As a result, we have not been able to establish selling prices based on TPE.

When we are unable to establish a selling price for our subscription and other services using VSOE or TPE, we use BESP in our allocation of arrangement consideration. The objective of BESP is to determine the price at which we would transact a sale if the respective elements were sold on a stand-alone basis. We estimate BESP for services by considering multiple factors including, but not limited to, prices charged for similar offerings, market conditions, competitive landscape, costs of providing the services, and our overall pricing practices. We currently use BESP in order to allocate the selling price to our deliverables in multiple element subscription arrangements.

*Cost of Subscription and Service Revenue.* Cost of subscription revenue is comprised of direct costs for Postano subscriptions associated with data center hosting and personnel costs relating to platform access, web embed displays, social content analytic reports and phone support. Cost of service revenue includes primarily personnel costs related to consulting, technical support, and training. Other costs specifically identifiable to the revenue source have been classified accordingly.

*Cash and cash equivalents.* Investment securities with a maturity of ninety days or less at the time of purchase are considered cash equivalents.

*Trade Accounts Receivable.* Trade accounts receivable are recorded at the invoiced amount and do not bear interest. Amounts collected on trade accounts receivable are included in net cash provided by operating activities in the consolidated statements of cash flows. The allowance for doubtful accounts is the Company's best estimate of the amount of probable credit losses in the Company's existing accounts receivable. The Company reviews its allowance for doubtful accounts at least quarterly. Past due balances over 60 days and over a specified amount are reviewed individually for collectibility. All other balances are reviewed on a pooled basis. Account balances are charged off against the allowance after all means of collection have been exhausted and the potential for recovery is considered remote. The Company does not have any off-balance sheet credit exposure related to its customers.

*Property, Furniture and Equipment.* Property, furniture, and equipment are stated at historical cost. Depreciation and amortization are computed on a straight-line basis over the estimated useful lives of the assets. Except for our building in the United Kingdom, which is being depreciated over 50 years, all other assets are being amortized or depreciated

between two to five years. Leasehold improvements are amortized on a straight-line basis over the shorter of the lease term or the estimated useful lives of the assets.

*Software Development Costs.* Costs for the development of new software products and substantial enhancements to existing software products are expensed as incurred until technological feasibility has been established, at which time any additional costs would be capitalized until the software is available for general release to customers. The Company does not currently have any internal software development costs capitalized because software is available for general release concurrently with the establishment of technological feasibility.

*Income Taxes.* Income taxes are accounted for under the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. Deferred tax assets are reduced by a valuation allowance to an amount whose realization is more likely than not. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date.

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The Company recognizes tax benefits from an uncertain tax position when it is more likely than not that the position will be sustained upon examination, including resolutions of any related appeals or litigation processes, based on the technical merits. Income tax positions must meet a more-likely-than-not recognition threshold at the effective date to be recognized. Developments such as case law, changes in tax law, new rulings or regulations issued by taxing authorities, and interactions with the taxing authorities could affect whether a position should be recognized or the amount that should be reported.

Interest and penalties would accrue if the uncertain tax position were not sustained. Interest would start to accrue in the period it would begin accruing under the relevant tax law, and the amount of interest expense to be recognized would be computed by applying the applicable statutory rate of interest to the difference between the tax position recognized and the amount previously taken or expected to be taken in a tax return. Penalties would accrue in the first period in which the position was taken (or is expected to be taken) on a tax return that would give rise to the penalty. Unrecognized tax benefits and the related interest and penalty exposure would result in recognition of a liability or a reduction to a deferred tax asset. This liability is separate from the deferred tax component on the balance sheet and would be classified as long-term unless payment is expected within the next twelve months. Interest and penalties are classified as income tax expense.

*Stock-Based Compensation.* The Company recognizes share-based payments, including grants of stock options and other equity awards in the consolidated financial statements based on their fair values. The Company recognizes compensation expense for share-based awards ratably over the vesting period.

*Net Income (Loss) Per Share.* Basic and diluted loss per share is computed using the net loss and the weighted average number of common shares outstanding during the period. Potential dilutive common shares include, for all of the periods presented, outstanding stock options and contingently issuable shares. There were 4,630,822, and 3,758,426 outstanding options to purchase shares of the Company's common stock and contingently issuable shares as of March 31, 2015 and 2014, respectively, that were not included in the computation of diluted loss per share because their effect would have been anti-dilutive.

*Concentration of Credit Risk.* The Company provides its products and services through its direct sales force, distributors, resellers, and developers. Our customers are in diversified industries worldwide. On an ongoing basis, the Company performs credit evaluations of its customer's financial condition and generally requires no collateral. No single customer accounted for more than 10% of revenues during any of the periods presented.

*Foreign Currency Translation.* The local currency is used as the functional currency for purposes of translating the financial statements of the Company's foreign subsidiaries into the reporting currency. Assets and liabilities of these foreign subsidiaries are translated at the exchange rate in effect at each period end. Income statement accounts are translated at the average rate of exchange for each period. Translation adjustments arising from the use of differing exchange rates from period to period are included in accumulated other comprehensive income (loss) in stockholders' equity. Gains and losses resulting from foreign currency transactions are included in other income (expense). Beginning in December 2009, foreign exchange gains and losses on the outstanding intercompany balance denominated in the British Pound are being accumulated in a separate component of equity based on the Company's determination that the settlement of this intercompany balance is not planned or anticipated in the foreseeable future.

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The Company's revenues generated through its offices located outside of the United States were approximately 39% and 49% of total revenue for the fiscal years ended March 31, 2015 and 2014, respectively.

*Comprehensive Income (Loss).* Comprehensive income (loss) encompasses all changes in equity other than those with stockholders and consists of net income (loss) and foreign currency translation adjustments. For the subsidiaries located in Germany and United Kingdom, the Company does not provide for U.S. income taxes on foreign currency translation adjustments because it does not provide for such taxes on undistributed earnings of these foreign subsidiaries. For its French subsidiary, the Company provides for U.S. taxes on foreign currency translation adjustments.

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*Use of Estimates.* The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires us to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Some of our accounting policies require us to make difficult and subjective judgments, often as a result of the need to make estimates of matters that are inherently uncertain. These accounting policies involve critical accounting estimates because they are particularly dependent on estimates and assumptions made by management about matters that are highly uncertain at the time the accounting estimates are made. Although we have used our best estimates based on facts and circumstances available to us at the time, different estimates reasonably could have been used. Changes in the accounting estimates we use are reasonably likely to occur from time to time, which may have a material effect on the presentation of our financial condition and results of operations. Our most critical accounting estimates include revenue recognition, accounting for business combinations and goodwill and accounting for employee stock-based compensation. We review our estimates, judgments, and assumptions periodically and reflect the effects of revisions in the period in which they are deemed to be necessary. We believe that these estimates are reasonable; however, actual results could differ from these estimates.

*Impairment of Goodwill and Other Long-Lived Assets.* Long-lived assets, such as property, furniture, and equipment, and purchased intangible assets subject to amortization, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable.

Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset or asset group to estimated undiscounted future cash flows expected to be generated by the asset or asset group. If the carrying amount of an asset exceeds its estimated future cash flows, an impairment charge is recognized in the amount by which the carrying amount of the asset exceeds the fair value of the asset or asset group. Assets to be disposed of would be separately presented in the balance sheet and reported at the lower of the carrying amount or fair value less costs to sell, and are no longer depreciated. The assets and liabilities of a disposal group classified as held for sale would be presented separately in the appropriate asset and liability sections of the balance sheet.

Goodwill and intangible assets that have indefinite useful lives are tested annually for impairment and are tested for impairment more frequently if events and circumstances indicate that the asset might be impaired. An impairment loss is recognized to the extent that the carrying amount exceeds the asset's fair value. For goodwill, the impairment determination is made at the reporting unit level and consists of two steps. First, the Company determines the fair value of a reporting unit and compares it to its carrying amount. Second, if the carrying amount of a reporting unit exceeds its fair value, an impairment loss is recognized for any excess of the carrying amount of the reporting unit's goodwill over the implied fair value of that goodwill. The implied fair value of goodwill is determined by allocating the fair value of the reporting unit in a manner similar to a purchase price allocation. The residual fair value after this allocation is the implied fair value of the reporting unit goodwill.

*Recent Accounting Pronouncements.* In May 2014, the Financial Accounting Standard Board issued Accounting Standards Update (ASU) No. 2014-09, Revenue from contracts with Customers (Topic 606) which provides guidance for revenue recognition. This ASU affects any entity that either enters into contracts with customers to transfer goods or services or enters into contracts for the transfer of non-financial assets. This ASU will supersede the revenue recognition requirements in Topic 605, Revenue Recognition, and most industry-specific guidance. This ASU also supersedes some cost guidance included in Subtopic 605-35, Revenue Recognition-Construction-Type and Production-Type Contracts. The core principle of the guidance is that an entity should 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 exchanged for those goods or services. The standard permits the use of either the retrospective or cumulative effect transition method. We are evaluating the effect that ASU No. 2014-09 will have on our consolidated financial statements and related disclosures. We have not yet selected a transition method nor have we determined the effect of the standard on our ongoing financial reporting. In April 2015, the FASB issued an exposure draft proposing to defer the effective date of this ASU for one year. The new standard is effective for our fiscal year 2018, or fiscal year 2019 if the effective date is deferred one year.

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In April 2014, the FASB issued ASU No. 2014-08, *Presentation of Financial Statements (Topic 205) and Property, Plant, and Equipment (Topic 360)*, which provides guidance for reporting discontinued operations and disclosures of disposals of components of an entity. This ASU affects an entity that has either a component that is disposed of or meets the criteria to be classified as held for sale. The core principle of the guidance is that a disposal of a component, or a group of components of an entity is required to be reported in discontinued operations if the disposal represents a strategic shift and has (or will have) a major effect on an entity's operations and financial results. This standard is effective for annual reporting periods beginning after December 15, 2014, including interim periods within that reporting period (our fiscal year 2016). We do not expect the adoption of this ASU to have a material impact on our financial position and results of operations.

In August 2014, the FASB issued ASU No. 2014-15, *Presentation of Financial Statements-Going Concern (Subtopic 205-40): Disclosure of Uncertainties about an Entity's Ability to Continue as a Going Concern* (ASU 2014-15). This ASU is intended to define management's responsibility to evaluate whether there is substantial doubt about an organization's ability to continue as a going concern and to provide related footnote disclosures. The amendments in this ASU are effective for reporting periods beginning after December 15, 2016, with early adoption permitted. We are evaluating the effect that ASU No. 2014-15 will have on our consolidated financial statements and related disclosures.

### **3. Discontinued Operations - Business Divestiture**

On November 15, 2013, the Company completed the sale of the MDMS Business, and the related underlying enterprise resource planning (ERP) platform required to support the MDMS Business, to Rocket for a total sale price of approximately \$22.0 million (the Sale), of which \$19.8 million was received at closing and the remaining \$2.2 million was released from escrow and received in November 2014. As a result of this divestiture, the historical results of the MDMS Business have been reclassified and presented as discontinued operations for all periods presented. Also, in connection with, and effective on, the closing of the Sale, the Company assigned to Rocket its Lease Agreement with The Irvine Company, dated November 9, 2004, as amended by the First Amendment thereto dated December 7, 2009. The lease was for approximately 15,000 square feet of office space in Irvine, California and runs through October 2015. Rocket agreed to allow the Company to continue to occupy a portion of the space until April 2014 when the Company relocated to a new facility to accommodate the personnel previously employed at the premises and continuing with the Company following the Sale.

In connection with the Sale, the parties also entered, at closing, into several ancillary and related agreements, including a transition services agreement designed to facilitate the transition of the MDMS Business to Rocket and minimize disruptions to the Company's retained businesses, and an intellectual property license agreement, which will permit Rocket to use certain intellectual property owned by the Company and will permit the Company to use certain intellectual property owned by Rocket following the Sale. The costs of providing these services were considered immaterial and therefore were not included in discontinued operations on the statements of comprehensive income (loss).

Historical results of operations of the MDMS Business have been classified as discontinued operations. Income from discontinued operations for the fiscal year ended March 31, 2014 represents the results of operations of the MDMS Business prior to disposition. As of the date of disposition, the Company has not had and does not anticipate generating any future cash flows related to the MDMS Business other than the \$2.2 million cash received from escrow in November 2014.

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The financial results of the discontinued operations for the year ended March 31, 2014 were as follows (in thousands):

|   | <b>For the Year<br/>Ended March<br/>31, 2014</b> |       |
|---|--|-------|
| Revenue of discontinued operations                  | \$   | 5,821 |
| Income from discontinued operations                 |  | 3,231 |
| Income tax expense                                  |  | 590   |
| Income from discontinued operations, net of tax     |  | 2,641 |
| Gain on sale of discontinued operations             |  | 9,926 |
| Income tax expense                                  |  | 4,008 |
| Gain on sale of discontinued operations, net of tax |  | 5,918 |
| Total income from discontinued operations           | \$   | 8,559 |

**4. Storycode Winddown**

During the quarter ended December 31, 2014, the Company wound down its minor digital publishing services, referred to as Storycode Services, to focus its resources on the Postano and Omnis product lines. In connection with this decision, the Company entered into an Asset Purchase Agreement with two individuals ( Buyers ) who were previously employed by the Company to manage the Storycode Services. The Company assigned to Buyers all of the intellectual property rights related to the name Storycode and certain rights related thereto, and agreed to share certain accounts receivable related to the Storycode Services. Buyers and the Company also agreed to a mutual release of all claims against each other. As a result of assigning the Storycode name to Buyers, the Company wrote off the remaining balance of the intangible asset of approximately \$65,000 related to the Storycode trade name. The Company retained the technology obtained as part of the acquisition of Storycode, Inc. in January 2013 that is currently being used in the Postano subscription and service offerings and approximately \$250,000 of accounts receivable attributable to the Storycode Services, and assigned to Buyers approximately \$230,000 of accounts receivable attributable to the Storycode Services, of which approximately \$220,000 was remitted to Buyers in January 2015 after payments were received from customers. The Buyers are responsible for collecting the remaining \$10,000 of outstanding accounts receivable.

Historically, Storycode Services revenues have not been significant and the Company does not expect any future revenues related to Storycode Services.

**5. Fair Value Measurement**

The Company maintains all of its cash on deposit at financial institutions. As such, there were no cash equivalents on the Company's balance sheets as of March 31, 2015 or 2014. There were no nonfinancial assets or liabilities that required recognition or disclosure at fair value on a nonrecurring basis in the Company's balance sheets as of March 31, 2015 or 2014.

**6. Property, Furniture and Equipment**

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Property, furniture and equipment at March 31 consisted of (in thousands):

|  | 2015 |         | 2014 |         |
|--|------|---------|------|---------|
| Land and buildings                       | \$   | 636     | \$   | 713     |
| Office equipment, furniture and fixtures |      | 4,715   |      | 4,641   |
| Total                                    |      | 5,351   |      | 5,354   |
| Accumulated depreciation                 |      | (4,482) |      | (4,779) |
| Property, furniture and equipment, net   | \$   | 869     | \$   | 575     |

Depreciation expense for the fiscal years ended March 31, 2015 and 2014 was approximately \$182,000 and \$97,000, respectively. During the fiscal year ended March 31, 2015, the Company disposed of approximately \$70,000 in office equipment assets that were no longer in use resulting in a loss on disposal of approximately \$20,000, which was included in depreciation expense.

Table of Contents**7. Goodwill and intangible assets**

The Company reviews goodwill and other long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. During the fiscal quarter ended December 31, 2014, the Company's market capitalization fell below its net book value for an extended period of time. As a result, Company management conducted the first step of a goodwill impairment test as of December 31, 2014 with the assistance of an independent valuation consultant utilizing both a market capitalization approach, including an estimated control premium, as well as a discounted cash flow approach, with key assumptions including projected future cash flows and a risk-adjusted discount rate. Both approaches resulted in an estimated fair value of the Company's reporting unit below net book value as of December 31, 2014. As such, the Company initiated the second step of the goodwill impairment test to measure the amount of impairment. The Company analyzed the fair value of certain assets including its developed technology, trade names, customer relationships, and property. Based on the work performed, the Company concluded that an impairment loss existed as of December 31, 2014 and, when measuring the amount of impairment loss, we determined that goodwill was fully impaired. Accordingly, the Company recorded a non-cash goodwill impairment charge to fully write-off the book value of its goodwill in the amount of approximately \$18.2 million during the quarter ended December 31, 2014. Also, prior to performing the second step in the goodwill impairment analysis, the Company assessed long-lived assets including property and equipment and intangible assets for impairment. The Company's conclusion was that such long-lived assets were not impaired as of December 31, 2014 or March 31, 2015.

Goodwill as of March 31, 2015 and 2014 was as follows (in thousands):

|          | 2014      | Impairment<br>write off | 2015 |
|----------|-----------|-------------------------|------|
| Goodwill | \$ 18,183 | \$ (18,183)             | \$   |

Intangible assets subject to amortization at March 31, 2015 and 2014 were as follows (in thousands):

|                                   | Cost   | March 31, 2015<br>Accumulated<br>Amortization/<br>Write off | Net    |
|-----------------------------------|--------|---|--------|
| Purchased Trade and Domain Names  | 80     | (80)  | \$     |
| Purchased Technology              | 530    | (167)   | 363    |
| Total purchased intangible assets | \$ 610 | \$ (247)  | \$ 363 |

|                                   | Cost   | March 31, 2014<br>Accumulated<br>Amortization | Net    |
|-----------------------------------|--------|---|--------|
| Purchased Trade and Domain Names  | \$ 80  | \$ (10)                                       | \$ 70  |
| Purchased Technology              | 530    | (90)  | 440    |
| Total purchased intangible assets | \$ 610 | \$ (100)                                      | \$ 510 |

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Amortization expense related to purchased intangible assets for fiscal years 2015 and 2014 was approximately \$146,000 and \$83,000, respectively. During the fiscal year ended March 31, 2015, the Company wrote off the intangible asset related to Storycode's tradename with a book value of approximately \$65,000, which was included in amortization expense. See footnote 4 for more information regarding the Storycode winddown.

Purchased intangible assets are amortized over their estimated useful lives of seven years. At March 31, 2015, expected future amortization expense is as follows (in thousands):

| <b>Years Ending March 31,</b>       |    | <b>Intangible<br/>assets</b> |
|-------------------------------------|----|------------------------------|
| 2016                                | \$ | 76                           |
| 2017                                |    | 76                           |
| 2018                                |    | 76                           |
| 2019                                |    | 76                           |
| 2020                                |    | 59                           |
| Total expected amortization expense | \$ | 363                          |

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**8. Stockholder s Equity**

*Series A Convertible Preferred Stock*

The Company had 5,000,000 shares of Series A convertible preferred stock ( Series A ) authorized and no shares of Series A issued and outstanding at March 31, 2015 and 2014.

*Common Stock*

The Company had 100,000,000 shares of common stock authorized and 30,955,697 and 30,117,234 shares of common stock issued and outstanding as of March 31, 2015 and 2014, respectively.

*Stock Options*

On February 25, 2009, the shareholders voted to approve and the Company adopted the 2009 Equity Incentive Plan ( 2009 Plan ). The 2009 Plan provides for the granting of stock options, restricted stock, and restricted stock units to directors, employees and consultants. In conjunction with the adoption of the 2009 Plan, the Company terminated all other plans, except as to options then issued and outstanding under such plans. The total number of shares available for issuance under the 2009 Plan at adoption date is based on the number of shares that have been reserved but not issued under the 1999 Stock Plan ( 1999 Plan ), the shares under the 1999 Plan which expired, were cancelled or were forfeited, and the annual share reserve increase. Included in the 2009 Plan is the provision for the annual automatic share reserve increase on the last day of each fiscal year in an amount equal to the lesser of (a) 3% of the Company s total outstanding shares on the last day of the Company s fiscal year, (b) 2,000,000, or (c) such lesser amount as determined in the sole and absolute discretion of the Board. The annual increase for the year ended March 31, 2015 was 928,670 shares. At March 31, 2015, the total number of shares available for issuance under the 2009 Plan was 4,370,481 shares. Stock options are generally granted with an exercise price equal to the stock s fair market value at the date of grant. All options under the 2009 Plan have ten-year terms and generally vest over a period of four years.

*Employee Stock Purchase Plan*

On December 12, 2001, the Board of Directors approved the Company s 2001 Employee Stock Purchase Plan (the ESPP ) to provide employees of the Company with an opportunity to purchase common stock of the Company through accumulated payroll deductions. The maximum number of shares of common stock made available for sale under the ESPP is 1,000,000 shares. The offer periods of six months duration commence each February 15 and August 15. An employee may contribute between 1% and 10% of their compensation, not to exceed \$21,250 per calendar year. Individual employee share purchases are limited to 1,500 shares per offer period. Employees are able to purchase the stock at an amount equal to 85% of the market value of a share of common stock on the enrollment date or on the exercise date, whichever is lower. In February 2012, the stockholders approved an amendment to the Company s 2001 Employee Stock Purchase Plan ( 2001 Plan ), which otherwise was scheduled to expire by its own terms. The main changes in the Company s 2011 Amended and Restated Employee Stock Purchase Plan ( Stock Purchase Plan ) are: (i) to eliminate the ten-year term limit; (ii) to amend the definition of compensation used under the Stock Purchase

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Plan to include deferrals made under qualified transportation benefit programs; and (iii) to increase the hours per week that an otherwise eligible employee must work in order to be able to participate in the Stock Purchase Plan from more than ten (10) to more than twenty (20). In addition, the Stock Purchase Plan clarifies certain provisions of the 2001 Plan and amends various technical provisions in order to comply with applicable laws. The total number of shares of the Company's common stock reserved for issuance and available for purchase under the Stock Purchase Plan was not increased from the 2001 Plan and remained at 1,000,000 (less shares already issued under the 2001 Plan).

Through March 31, 2015, 736,434 shares had been issued to employees under the ESPP. For the year ended March 31, 2015, 15,234 shares of common stock were issued under the ESPP. As of March 31, 2015, employee withholdings under the ESPP were de minimus.



Table of Contents*Stock-Based Compensation*

The Company estimates the fair value of employee stock options granted and ESPP purchase rights using the Black-Scholes option-pricing model and a single option award approach. Under this approach, the compensation expense for awards that have a graded vesting schedule is recognized on a straight-line basis over the requisite service period, net of estimated forfeitures. When estimating forfeitures, the Company considers voluntary termination behavior as well as analysis of actual option forfeitures.

The Company estimated the fair value of its stock options and ESPP purchase rights using the following weighted average assumptions:

|                         | Years Ended March 31, |                            |                  |                            |
|-------------------------|-----------------------|----------------------------|------------------|----------------------------|
|                         | 2015                  |                            | 2014             |                            |
|                         | Stock<br>options      | ESPP<br>purchase<br>rights | Stock<br>options | ESPP<br>purchase<br>rights |
| Expected term           | 5.57                  | 0.5 Years                  | 5.67 Years       | 0.5 Years                  |
| Expected volatility     | 77%                   | 84%                        | 77%              | 76%                        |
| Risk-free interest rate | 1.73%                 | 0.07%                      | 1.56%            | 0.08%                      |
| Dividend yield          | 0%                    | 0%                         | 0%               | 0%                         |

*Expected Term*-The expected term represents the period the Company's stock-based awards are expected to be outstanding and was determined based on historical experience with similar awards, giving consideration to the contractual terms of the stock-based awards, vesting schedules and expectations of future employee behavior as influenced by changes to the terms of its stock-based awards. The weighted average expected term is calculated based on the number of shares granted and the related expected term.

*Expected Volatility*-The computation of expected volatility is based on historical volatility equal to the expected term.

*Risk-Free Interest Rate*-The risk-free interest rate used in the Black-Scholes valuation method is based on the yield available on U.S. Treasury securities with a term equal to the expected term at the time of grant.

*Dividend Yield*-No dividends are expected to be paid.

Total stock-based compensation expense included in the consolidated statements of comprehensive loss is as follows (in thousands):

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Twelve Months Ended March 31,  
2015 2014

|  |    |     |    |       |
|--|----|-----|----|-------|
| Cost of service revenue                | \$ | 23  | \$ | 39    |
| Operating expense:                     |    |     |    |       |
| Selling and marketing                  |    | 53  |    | 347   |
| Research and development               |    | 114 |    | 285   |
| General and administrative             |    | 411 |    | 410   |
| Total stock-based compensation expense |    | 601 |    | 1,081 |
| Income tax benefit                     |    |     |    |       |
| Net stock-based compensation expense   | \$ | 601 | \$ | 1,081 |

Excluded from the table above was stock-based compensation expense related to discontinued operations of approximately \$212,000 for the year ended March 31, 2014.

As of March 31, 2015, there was approximately \$1.4 million of total unrecognized compensation cost related to non-vested share-based compensation arrangements granted under the plans. That cost is expected to be recognized over a weighted-average period of 3.0 years.

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Stock option activity was as follows for fiscal year 2015:

|   | Number of Shares | Weighted<br>Average<br>Exercise Price | Weighted<br>Average<br>Remaining<br>Contractual<br>Term in Years | Aggregate<br>Intrinsic Value |
|---|------------------|---------------------------------------|--|------------------------------|
| Options outstanding as of March 31, 2014      | 3,409,433        | \$ 2.41                               | 7.0  | \$ 221,097                   |
| Granted                                       | 3,203,000        | \$ 0.78                               |  |                              |
| Exercised                                     | (22,542)         | \$ 0.70                               |  |                              |
| Forfeited                                     | (1,305,036)      | \$ 1.27                               |  |                              |
| Expired                                       | (654,033)        | \$ 2.40                               |  |                              |
| Options outstanding as of March 31, 2015      | 4,630,822        | \$ 1.61                               | 7.6  | \$ 2,575                     |
| Vested and expected to vest at March 31, 2015 | 4,019,928        | \$ 1.75                               | 7.3  | \$ 1,770                     |
| Exercisable at March 31, 2015                 | 2,083,884        | \$ 2.59                               | 5.3  |                              |

The aggregate intrinsic value in the table above represents the difference between the exercise price of the underlying awards and the quoted price of the Company's common stock for the options that were in-the-money at each year end presented. The aggregate intrinsic value of options exercised under the 1999 and 2009 Plan was approximately \$16,000 and \$220,000 for the years ended March 31, 2015 and 2014, respectively, determined as of the date of option exercise. Weighted-average grant-date fair values of the options granted during the years ended March 31, 2015 and 2014 were \$0.52 and \$1.23, respectively.

### *Retirement Plans*

The Company sponsors a 401(k) Savings and Retirement Plan (the Plan) for substantially all of its employees in the United States. Employees meeting the eligibility requirements may contribute specified percentages of their salaries. The Company's Board of Directors, in its sole discretion, may make discretionary profit-sharing contributions at 50% of the employees' contributions up to 4% of the employees' total compensation, to the Plan. There were no discretionary annual contributions made to the Plan for the years ended March 31, 2015 and 2014.

The Company sponsors the TigerLogic UK Limited Retirement Benefits Scheme (TLUKL Plan) for substantially all of its employees in the United Kingdom. The TLUKL Plan is a defined contribution plan that provides retirement benefits upon attaining normal retirement age, and incidental benefits in the case of death or termination of employment prior to retirement. TigerLogic UK contributes an amount ranging from 3% to 8% of each participant's compensation to fund such benefits. In addition, participants are entitled to make voluntary contributions under the TLUKL Plan. The Company contributed approximately \$50,000 and \$53,000 to the TLUKL Plan for the years ended March 31, 2015 and 2014, respectively.

## **9. Income Taxes**

The Company's geographical breakdown of its loss from continuing operations before provision for income taxes is as follows (in thousands):

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|                                 | Years Ended March 31, |             |
|---------------------------------|-----------------------|-------------|
|                                 | 2015                  | 2014        |
| Domestic                        | \$ (28,399)           | \$ (11,580) |
| Foreign                         | (176)                 | 351         |
| Loss before provision for taxes | \$ (28,575)           | \$ (11,229) |

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The components of the provision for income taxes from continuing operations are as follows (in thousands):

|                                 | Years Ended March 31, |                   |
|---------------------------------|-----------------------|-------------------|
|                                 | 2015                  | 2014              |
| <b>Current</b>                  |                       |                   |
| Federal                         | \$ 1                  | \$                |
| State                           | 1                     |                   |
| Foreign                         | 97                    | 123               |
| <b>Total current provision</b>  | <b>\$ 99</b>          | <b>\$ 123</b>     |
| <b>Deferred</b>                 |                       |                   |
| Federal                         |                       | (3,495)           |
| State                           |                       | (600)             |
| Foreign                         | (14)                  | 7                 |
| <b>Total deferred provision</b> | <b>(14)</b>           | <b>(4,088)</b>    |
| <b>Total</b>                    | <b>\$ 85</b>          | <b>\$ (3,965)</b> |

Reconciliations of the provisions for income taxes from continuing operations at the statutory rates to the Company's provisions for income taxes from continuing operations are as follows:

|   | For the years ended March 31, |                |
|---|-------------------------------|----------------|
|   | 2015                          | 2014           |
| Expected U.S. Federal tax expense (benefit) | (34.0)%                       | (34.0)%        |
| State taxes                                 | (3.6)%                        | (3.5)%         |
| Foreign taxes                               | 0.1%                          | 0.4%           |
| Goodwill impairment                         | 23.9%                         | %              |
| Change in valuation allowance               | 13.6%                         | %              |
| Research and experimentation credit         | (0.3)%                        | %              |
| Stock-based compensation expense            | 0.3%                          | 1.6%           |
| Other                                       | 0.3%                          | 0.1%           |
| <b>Actual effective tax rate</b>            | <b>0.3%</b>                   | <b>(35.4)%</b> |

Significant components of the Company's net deferred tax assets are as follows at March 31 (in thousands):

|   | Years Ended March 31, |               |
|---|-----------------------|---------------|
|   | 2015                  | 2014          |
| <b>Deferred tax assets:</b>                             |                       |               |
| Net operating loss carryforwards                        | \$ 13,114             | \$ 9,583      |
| Accruals and allowances recognized in different periods | 313                   | 408           |
| Research and experimentation credit carryforwards       | 6,004                 | 5,852         |
| Property and equipment                                  | 54                    | 50            |
| Stock-based compensation expense                        | 1,522                 | 1,410         |
| <b>Total deferred tax assets</b>                        | <b>21,007</b>         | <b>17,303</b> |
| Less valuation allowance                                | (20,628)              | (16,844)      |
| <b>Total net deferred tax assets</b>                    | <b>379</b>            | <b>459</b>    |
| <b>Deferred tax liabilities:</b>                        |                       |               |

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|                                  |        |        |
|----------------------------------|--------|--------|
| Currency translation adjustments | (119)  | (127)  |
| Intangibles                      | (137)  | (193)  |
| Net deferred tax assets          | \$ 123 | \$ 139 |

Recognition of deferred tax assets is appropriate when realization of these assets is more likely than not. Based upon the weight of available evidence, including the Company's historical operating performance and the recorded cumulative net losses in prior fiscal periods, the Company has provided a full valuation allowance against its United States and United Kingdom deferred tax assets. The Company's valuation allowance increased by \$3.8 million in the year ended March 31, 2015.

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The Company recognizes excess income tax benefits from stock option exercises in the additional paid in capital account in stockholders' equity only if an incremental income tax benefit would be realized after considering all other tax attributes presently available to the Company. There was no such excess income tax benefits recognized for the years ended March 31, 2015 or 2014.

As of March 31, 2015, the Company had U.S. federal, state, and foreign net operating loss carryforwards of approximately \$37.3 million, \$8.0 million, and \$3.7 million, respectively. Of these amounts, \$2.3 million and \$0.2 million represent federal and state tax deductions in excess of recognized stock option compensation, respectively, which will be recorded as an adjustment to additional paid-in capital when they reduce taxes payable. If unused, the federal net operating loss carryforwards will begin to expire in 2019, the state net operating loss carryforwards will begin to expire in 2016. Foreign net operating losses may be carried forward indefinitely. Approximately \$1.4 million of both the federal and state net operating loss carryforwards are subject to an annual limitation of approximately \$0.2 million per year.

As of March 31, 2015, the Company had U.S. federal and state tax credit carryforwards of approximately \$3.6 million and \$3.7 million, respectively. Of the state amount, \$0.1 million represents the amount of state tax credit utilized in lieu of state excess tax benefits under the with-and-without approach. The federal credit will expire beginning in 2019, if not utilized. California state research and development credits can be carried forward indefinitely. With respect to the Company's foreign subsidiaries in the UK and Germany, the Company intends to permanently reinvest earnings, therefore, no U.S. income or foreign tax withholding has been provided for in deferred income taxes. With respect to the Company's foreign subsidiary in France, it is treated as a branch for U.S. income tax purposes, which results in its earnings being taxed in the U.S. There is no unrecognized deferred tax liability related to undistributed earnings due to cumulative losses sustained by these foreign subsidiaries.

As of March 31, 2015, the Company had gross unrecognized tax benefit of approximately \$55,000 attributable to a Germany transfer pricing audit for the fiscal years 2009-2011. The Company did not have any gross unrecognized tax benefit for the year ended March 31, 2014. While it is often difficult to predict the final outcome of any particular uncertain tax position, management does not believe that it is reasonably possible that the estimates of unrecognized tax benefits will change significantly in the next twelve months.

A reconciliation of the beginning and ending amount of unrecognized tax benefits is as follows:

| (in thousands)   | Years Ended March 31, |      |
|--|-----------------------|------|
|  | 2015                  | 2014 |
| Beginning balance  | \$                    | \$   |
| Additions based on tax positions taken during a prior period | 55                    |      |
| Ending balance   | \$ 55                 | \$   |

The Company files consolidated and separate income tax return in the U.S. federal jurisdiction and in certain state jurisdictions as well as foreign jurisdictions including France, Germany, and the United Kingdom. The Company is subject to income tax examinations for fiscal years after 2011 for France, fiscal years after 2009 for Germany, and fiscal years after 2008 for the United Kingdom. As a result of net operating loss carryforwards, the Company is subject to audit for fiscal years 1999 and forward for federal purposes and 2006 and forward for California purposes.

The Company's subsidiary in Germany is currently under tax audit by the German tax authorities for the fiscal years 2009-2011.





Table of Contents**10. Commitments and Contingencies***Leases*

The Company leases office space and certain equipment under non-cancelable operating lease agreements with terms expiring through 2020. Rent expense related to operating these leases is recognized ratably on a straight-line basis over the entire lease term. The Company is required to pay property taxes, insurance and normal maintenance costs.

Future minimum lease payments under non-cancelable operating leases with initial or remaining lease terms in excess of one year as of March 31, 2015 are as follows (in thousands):

| Years Ending March 31,       | Operating<br>Leases |     |
|------------------------------|---------------------|-----|
| 2016                         | \$                  | 420 |
| 2017                         |                     | 212 |
| 2018                         |                     | 114 |
| 2019                         |                     | 102 |
| 2020                         |                     | 8   |
| Total minimum lease payments | \$                  | 856 |

Rent expense of \$569,000 and \$708,000 was recognized in 2015 and 2014, respectively.

In conjunction with the MDMS Business divestiture, the Company assigned a lease to Rocket. Under the terms of that lease, the Company remains liable for the lease obligations through its termination in October 2015, should Rocket cease making lease payments it is obligated to make under the terms of the assignment. As of March 31, 2015, the present value of the lease obligations under the remaining master's lease's primary term is approximately \$178,000. As of March 31, 2015, the Company did not have any lease exposure due to any lack of performance by Rocket, and believes that the likelihood of material liability being triggered under this lease is remote.

*Litigation*

The Company is subject from time to time to litigation, claims and suits arising in the ordinary course of business. There were no material ongoing legal proceedings as of March 31, 2015.

*Indemnification*

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The Company's standard customer license and software agreements contain indemnification and warranty provisions which are generally consistent with practice in the Company's industry. The duration of the Company's service warranties generally does not exceed 30 days following completion of its services. The Company has not incurred significant obligations under customer indemnification or warranty provisions historically and does not expect to incur significant obligations in the future. Accordingly, the Company does not maintain accruals for potential customer indemnification or warranty-related obligations. The maximum potential amount of future payments that the Company could be required to make is generally limited under the indemnification provisions in its customer license and service agreements. The Company has entered into the standard form of indemnification agreement with each of its directors and executives.

### **11. Related Party Transactions**

Following the retirement of Richard Koe from the position of Chief Executive Officer effective September 7, 2014, the Company entered into an expense reimbursement agreement with Mr. Koe where the Company agreed to reimburse Astoria Capital Management (ACM), an entity controlled by Mr. Koe, a monthly amount of \$2,000 until April 30, 2015 then \$1,000 effective May 1, 2015 as a rental fee for the use of ACM's furniture in the Company's Portland office. This agreement will continue for such time as the Company continues to make use of ACM's furniture and will terminate upon written notice from the Company. Mr. Koe continues to serve as a member of the Company's Board of Directors.

Table of Contents**12. Segment Information**

The Company operates in one reportable segment. International operations consist primarily of foreign sales offices selling software developed in the United States combined with local service revenue. The following table summarizes consolidated financial information of the Company's operations by geographic location (in thousands):

| Net revenue   | Years Ended March 31, |          |
|---------------|-----------------------|----------|
|               | 2015                  | 2014     |
| United States | \$ 4,253              | \$ 2,779 |
| Europe        | 2,740                 | 2,711    |
| Total         | \$ 6,993              | \$ 5,490 |

| Long-lived assets | March 31, |           |
|-------------------|-----------|-----------|
|                   | 2015      | 2014      |
| United States     | \$ 936    | \$ 18,928 |
| Europe            | 350       | 413       |
| Total             | \$ 1,286  | \$ 19,341 |

The Company engages in the design, development, sale, and support of rapid application development software known as Omnis and a hosted social media visualization platform known as Postano. The following table represents the Company's net revenue by product line (in thousands):

| Net revenue      | Years Ended March 31, |          |
|------------------|-----------------------|----------|
|                  | 2015                  | 2014     |
| Omnis products   | \$ 3,776              | \$ 3,803 |
| Postano products | 3,217                 | 1,687    |
| Total            | \$ 6,993              | \$ 5,490 |

**13. Accrued Liabilities**

Components of accrued liabilities at March 31 are as follows (in thousands):

|                              | 2015   | 2014   |
|------------------------------|--------|--------|
| Payroll and related costs    | \$ 435 | \$ 825 |
| Severance and related costs  | 518    |        |
| Professional fees            | 25     | 63     |
| Taxes                        | 153    | 11     |
| Pension                      | 22     | 35     |
| Purchase of software license | 200    |        |

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|                           |    |       |    |       |
|---------------------------|----|-------|----|-------|
| Revenue sharing agreement |    |       |    | 750   |
| Other                     |    | 172   |    | 208   |
| Total accrued liabilities | \$ | 1,525 | \$ | 1,892 |

**14. Subsequent Event**

In April 2015, the Company signed a one-year lease extension for its Portland office. The term of the lease is for twelve months effective May 1, 2015 with a monthly base rent of \$15,600.

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**TIGERLOGIC CORPORATION AND SUBSIDIARIES**  
**UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS**

**For the nine month period ended December 31, 2015**

**(In thousands)**

|  | December 31,<br>2015 | March 31,<br>2015 |
|--|----------------------|-------------------|
| <b>ASSETS</b>  |                      |                   |
| Current assets:  |                      |                   |
| Cash   | \$ 6,487             | \$ 10,251         |
| Trade accounts receivable, less allowance for doubtful accounts of \$1 and \$0, respectively | 954                  | 1,291             |
| Other current assets   | 449                  | 460               |
| Total current assets   | 7,890                | 12,002            |
| Property, furniture and equipment, net   | 584                  | 869               |
| Intangible assets, net   | 306                  | 363               |
| Deferred tax assets  | 95                   | 94                |
| Other assets   | 51                   | 54                |
| Total assets   | \$ 8,926             | \$ 13,382         |
| <b>LIABILITIES AND STOCKHOLDERS EQUITY</b>   |                      |                   |
| Current liabilities:   |                      |                   |
| Accounts payable   | \$ 250               | \$ 295            |
| Accrued liabilities  | 824                  | 1,525             |
| Deferred revenue   | 1,568                | 1,905             |
| Total current liabilities  | 2,642                | 3,725             |
| Other long-term liabilities  | 144                  | 101               |
| Total liabilities  | 2,786                | 3,826             |
| Commitments and contingencies  |                      |                   |
| Stockholders' equity:  |                      |                   |
| Preferred stock  |                      |                   |
| Common stock   | 3,096                | 3,096             |
| Additional paid-in-capital   | 143,712              | 143,389           |
| Accumulated other comprehensive income   | 2,178                | 2,174             |
| Accumulated deficit  | (142,846)            | (139,103)         |
| Total stockholders' equity   | 6,140                | 9,556             |
| Total liabilities and stockholders' equity   | \$ 8,926             | \$ 13,382         |

See accompanying notes to the unaudited condensed consolidated financial statements.



Table of Contents**TIGERLOGIC CORPORATION AND SUBSIDIARIES****UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS****For the three and nine month period ended December 31, 2015****(In thousands except per share data)**

|   | For the Three Months Ended December 31, |             | For the Nine Months Ended December 31, |             |
|---|---|-------------|--|-------------|
|   | 2015                                    | 2014        | 2015                                   | 2014        |
| <b>Net revenues:</b>  |   |             |  |             |
| Licenses  | \$ 599                                  | \$ 515      | \$ 1,380                               | \$ 1,845    |
| Subscription  | 813                                     | 532         | 2,356                                  | 1,415       |
| Services  | 399                                     | 866         | 1,267                                  | 2,250       |
| Total net revenues  | 1,811                                   | 1,913       | 5,003                                  | 5,510       |
| <b>Operating expenses:</b>  |   |             |  |             |
| Cost of subscription revenues   | 199                                     | 206         | 474                                    | 546         |
| Cost of service revenues  | 141                                     | 102         | 374                                    | 410         |
| Selling and marketing   | 697                                     | 1,260       | 2,444                                  | 4,679       |
| Research and development  | 688                                     | 780         | 1,966                                  | 3,009       |
| General and administrative  | 895                                     | 1,729       | 3,413                                  | 5,068       |
| Impairment of goodwill  |   | 18,183      |  | 18,183      |
| Total operating expenses  | 2,620                                   | 22,260      | 8,671                                  | 31,895      |
| Operating loss  | (809)                                   | (20,347)    | (3,668)                                | (26,385)    |
| <b>Other income (expense):</b>  |   |             |  |             |
| Interest expense-net  |   |             | (2)                                    | (2)         |
| Other income (expense)-net  | 6                                       | 33          | (8)                                    | 42          |
| Total other income (expense)-net  | 6                                       | 33          | (10)                                   | 40          |
| Loss before income taxes  | (803)                                   | (20,314)    | (3,678)                                | (26,345)    |
| Income tax provision  | 55                                      | 78          | 65                                     | 108         |
| Net loss  | (858)                                   | (20,392)    | (3,743)                                | (26,453)    |
| <b>Other comprehensive income:</b>  |   |             |  |             |
| Foreign currency translation adjustments  | (21)                                    | (66)        | 4                                      | (115)       |
| Total comprehensive loss  | \$ (879)                                | \$ (20,458) | \$ (3,739)                             | \$ (26,568) |
| <b>Basic and diluted net loss per share</b>   |   |             |  |             |
|   | \$ (0.03)                               | \$ (0.65)   | \$ (0.12)                              | \$ (0.85)   |
| <b>Weighted average shares used in computing basic and diluted net loss per share</b> |   |             |  |             |
|   | 30,960                                  | 31,560      | 30,958                                 | 31,109      |

See accompanying notes to the unaudited condensed consolidated financial statements.

Table of Contents**TIGERLOGIC CORPORATION AND SUBSIDIARIES****UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS****For the nine month period ended December 31, 2015****(In thousands)**

|   | <b>For the Nine Months Ended December 31,</b> |             |
|---|---|-------------|
|   | <b>2015</b>                                   | <b>2014</b> |
| <b>Cash flows from operating activities:</b>                                |   |             |
| Net loss  | \$ (3,743)                                    | \$ (26,453) |
| Adjustments to reconcile net loss to net cash used in operating activities: |   |             |
| Impairment of goodwill  |   | 18,183      |
| Depreciation and amortization of long-lived assets                          | 348   | 261         |
| Provision for (recovery of) bad debt  | 1   | (71)        |
| Stock-based compensation expense  | 322   | 531         |
| Change in deferred tax assets   | (3)   |             |
| Foreign currency exchange gain  | (5)   | (47)        |
| Change in operating assets and liabilities:                                 |   |             |
| Trade accounts receivable   | 343   | 173         |
| Other current assets  | 17  | 21          |
| Accounts payable  | (93)  | 17          |
| Accrued liabilities and other long term liabilities                         | (464)   | (272)       |
| Deferred revenue  | (339)   | 57          |
| Net cash used in operating activities                                       | (3,616)                                       | (7,600)     |
| <b>Cash flows from investing activities:</b>                                |   |             |
| Purchases of property, furniture and equipment                              | (159)   | (264)       |
| Net cash used in investing activities                                       | (159)   | (264)       |
| <b>Cash flows from financing activities:</b>                                |   |             |
| Proceeds from exercise of stock options                                     |   | 16          |
| Proceeds from issuance of common stock                                      | 1   | 7           |
| Proceeds from sale of discontinued operations                               |   | 2,200       |
| Net cash provided by financing activities                                   | 1   | 2,223       |
| Effect of exchange rate changes on cash                                     | 10  | (115)       |
| Net decrease in cash  | (3,764)                                       | (5,756)     |
| Cash at beginning of the period   | 10,251  | 18,602      |
| Cash at end of the period   | \$ 6,487                                      | \$ 12,846   |
| <b>Supplemental disclosures:</b>  |   |             |
| Cash paid for income taxes  | \$ 81   | \$          |

See accompanying notes to the unaudited condensed consolidated financial statements.





Table of Contents**TIGERLOGIC CORPORATION AND SUBSIDIARIES****NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS****December 31, 2015****1. Interim Financial Statements**

The unaudited interim condensed consolidated financial information furnished herein reflects all adjustments, consisting only of normal recurring items, which in the opinion of management are necessary to fairly state TigerLogic Corporation and its subsidiaries (collectively, the Company or we, us or our ) financial position, results of operations and cash flows for the dates and periods presented and to make such information not misleading. Certain information and footnote disclosures normally included in annual financial statements prepared in accordance with accounting principles generally accepted in the United States of America have been omitted pursuant to rules and regulations of the Securities and Exchange Commission ( SEC ); nevertheless, management of the Company believes that the disclosures herein are adequate to make the information presented not misleading. These unaudited condensed consolidated financial statements should be read in conjunction with the Company s audited financial statements for the year ended March 31, 2015, contained in the Company s Annual Report on Form 10-K filed with the SEC on June 18, 2015. The results of operations for the three and nine months ended December 31, 2015, are not necessarily indicative of results to be expected for any other interim period or the fiscal year ending March 31, 2016.

Certain amounts in prior year s unaudited condensed consolidated statements of comprehensive loss have been reclassified to conform to current year s financial statement presentation.

**2. Stock-Based Compensation**

The Company has a stock option plan that provides for the granting of stock options and restricted stock to directors, employees and consultants. The Company also has an employee stock purchase plan allowing employees to purchase the Company s common stock at a discount.

Total stock-based compensation expense included in the unaudited condensed consolidated statements of comprehensive loss for the three and nine months ended December 31, 2015 and 2014, was as follows (in thousands):

|  | <b>Three Months Ended December 31,</b> |             | <b>Nine Months Ended December 31,</b> |             |
|--|--|-------------|---------------------------------------|-------------|
|  | <b>2015</b>                            | <b>2014</b> | <b>2015</b>                           | <b>2014</b> |
| Cost of service revenue                | \$ 6                                   | \$ 7        | \$ 19                                 | \$ 16       |
| Operating expense:                     |  |             |                                       |             |
| Selling and marketing                  | 13                                     | 2           | 30                                    | 132         |
| Research and development               | 31                                     | 24          | 88                                    | 90          |
| General and administrative             | 68                                     | 137         | 185                                   | 293         |
| Total stock-based compensation expense | 118                                    | 170         | 322                                   | 531         |

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### Income tax benefit

|                                      |    |     |    |     |    |     |    |     |
|--------------------------------------|----|-----|----|-----|----|-----|----|-----|
| Net stock-based compensation expense | \$ | 118 | \$ | 170 | \$ | 322 | \$ | 531 |
|--------------------------------------|----|-----|----|-----|----|-----|----|-----|

As of December 31, 2015, there was approximately \$0.9 million of total unrecognized compensation cost related to non-vested share-based compensation arrangements granted under the plans. That cost is expected to be recognized over a weighted-average period of 2.66 years.

### 3. Fair Value Measurement

The Company maintains all of its cash on deposit at financial institutions. As such, there were no cash equivalents on the Company's balance sheets as of December 31, 2015 or March 31, 2015. There were no nonfinancial assets or liabilities that required recognition or disclosure at fair value on a nonrecurring basis in the Company's balance sheets as of December 31, 2015 or March 31, 2015.

Table of Contents**4. Stockholders Equity and Loss Per Share**

Basic loss per share is computed using the net loss and the weighted average number of common shares outstanding during the period. Diluted loss per share is computed using the net loss and the weighted average number of common shares and potential common shares outstanding during the period when the potential common shares are dilutive. Potential dilutive common shares consist of outstanding stock options.

Options to purchase 4,273,744 shares and 4,276,777 shares of the Company's common stock for the three and nine month periods ended December 31, 2015, respectively, and 4,770,892 shares and 4,057,098 shares for the three and nine month periods ended December 31, 2014, respectively, have been excluded from the computation of diluted net loss per share because the effect of their inclusion would have been anti-dilutive.

The change in accumulated other comprehensive income during the three and nine month periods ended December 31, 2015 and 2014 results from translation of our foreign operations.

**5. Business Segment**

The Company operates in one reportable segment. International operations consist of foreign sales offices selling software combined with local service revenue and a research and development operation in the United Kingdom. The following table summarizes consolidated financial information of the Company's operations by geographic location (in thousands):

| Net revenue   | For the Three Months Ended<br>December 31, |          | For the Nine Months Ended<br>December 31, |          |
|---------------|--|----------|---|----------|
|               | 2015                                       | 2014     | 2015                                      | 2014     |
| United States | \$ 1,197                                   | \$ 1,283 | \$ 3,406                                  | \$ 3,346 |
| Europe        | 614  | 630      | 1,597                                     | 2,164    |
| Total         | \$ 1,811                                   | \$ 1,913 | \$ 5,003                                  | \$ 5,510 |

| Long-lived assets | December 31,<br>2015 | March 31,<br>2015 |
|-------------------|----------------------|-------------------|
| United States     | \$ 632               | \$ 936            |
| Europe            | 354                  | 350               |
| Total             | \$ 986               | \$ 1,286          |

The Company engages in the design, development, sale and support of rapid application development software known as Omnis and a subscription based social media visualization platform known as Postano. The following table represents the Company's net revenue by product line (in thousands):

| Net revenue      | For the Three Months Ended<br>December 31, |          | For the Nine Months Ended<br>December 31, |          |
|------------------|--|----------|---|----------|
|                  | 2015                                       | 2014     | 2015                                      | 2014     |
| Omnis products   | \$ 928                                     | \$ 872   | \$ 2,399                                  | \$ 3,002 |
| Postano products | 883  | 1,041    | 2,604                                     | 2,508    |
| Total            | \$ 1,811                                   | \$ 1,913 | \$ 5,003                                  | \$ 5,510 |

## 6. Related Party Transactions

Following the retirement of Richard Koe from the position of Chief Executive Officer effective September 7, 2014, the Company entered into an expense reimbursement agreement with Mr. Koe where the Company agreed to pay Astoria Capital Management ( "ACM" ), an entity controlled by Mr. Koe, a rental fee for the use of ACM's furniture in the Company's Portland, Oregon office. Beginning in May 2015, the rental fee was reduced from \$2,000 per month to \$1,000 per month. This agreement will continue for such time as the Company continues to make use of ACM's furniture and will terminate upon written notice from the Company. Mr. Koe continues to serve as a member of the Company's Board of Directors.

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**7. Goodwill Impairment**

The Company reviews goodwill and other long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. During the fiscal quarter ended December 31, 2014, the Company's market capitalization fell below its net book value for an extended period of time. The Company operates as a single reporting unit. As a result, Company management conducted the first step of a goodwill impairment test as of December 31, 2014 with the assistance of an independent valuation consultant utilizing both a market capitalization approach, including an estimated control premium, as well as a discounted cash flow approach, with key assumptions including projected future cash flows and a risk-adjusted discount rate. Both approaches resulted in an estimated fair value of the Company's reporting unit below net book value as of December 31, 2014. As such, the Company initiated the second step of the goodwill impairment test to measure the amount of impairment. The Company analyzed the fair value of certain assets including its developed technology, trade names, customer relationships, and property. Based on the work performed, the Company concluded that an impairment loss is probable and can be reasonably estimated. Accordingly, the Company recorded a non-cash goodwill impairment charge to fully write-off the book value of its goodwill in the amount of approximately \$18.2 million during the quarter ended December 31, 2014. Also, prior to performing the second step in the goodwill impairment analysis, the Company assessed long-lived assets including property and equipment and intangible assets for impairment. The Company's conclusion was that such long-lived assets were not impaired as of December 31, 2014.

**8. Commitments and Contingencies**

*Leases*

The Company leases office space and certain equipment under non-cancelable operating lease agreements with terms expiring through 2020. Rent expense related to operating these leases is recognized ratably on a straight-line basis over the entire lease term. The Company is required to pay property taxes, insurance and normal maintenance costs.

As a result of moving its corporate headquarters to Portland, Oregon, the Company vacated its former premises in Irvine, California and subleased the facility for the remainder of the lease term. As a result, the Company recorded a lease loss during its second fiscal quarter totaling \$109,000 reflecting the difference between ongoing committed operating lease costs for the facility and sublease income expected to be received over the life of the lease. In addition, the Company accelerated depreciation on property and equipment totaling \$125,000 located in the Irvine office upon vacating the premises.

*Indemnification*

The Company's standard customer license and software agreements contain indemnification and warranty provisions which are generally consistent with practice in the Company's industry. The duration of the Company's service warranties generally does not exceed 30 days following completion of its services. The Company has not incurred significant obligations under customer indemnification or warranty provisions historically and does not expect to incur significant obligations in the future. Accordingly, the Company does not maintain accruals for potential customer indemnification or warranty-related obligations. The maximum potential amount of future payments that the Company could be required to make is generally limited under the indemnification provisions in its customer license and service agreements. The Company has entered into a standard form of indemnification agreement with each of its directors and executives.



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**9. Subsequent Event**

*Legal Settlement*

On July 2, 2015, the Company was sued for patent infringement by Monster Patents, LLC ( Monster ) in the United States District Court Southern District of New York. The complaint alleged that the Company's Postano products infringe a single patent owned by Monster. On January 14, 2016, the Company entered into a settlement agreement with Monster (the Settlement Agreement ), pursuant to which all outstanding litigation with Monster was settled and the parties stipulated to dismissal of the action with prejudice. Under the terms of the Settlement Agreement, Monster granted the Company a fully paid, worldwide, perpetual license to the Monster patent portfolio in exchange for a cash payment and a limited subscription to the Postano platform for a two-year period. The remaining terms of the Settlement Agreement are confidential. The Company has included the costs of settlement in its financial results for the quarter ended December 31, 2015.



Table of Contents**POSTANO BUSINESS****UNAUDITED CONDENSED BALANCE SHEETS**

(In thousands)

|  | December 31,<br>2015 | March 31,<br>2015 | March 31,<br>2014 |
|--|----------------------|-------------------|-------------------|
| <b>ASSETS</b>                          |                      |                   |                   |
| Current assets:                        |                      |                   |                   |
| Trade accounts receivable              | \$ 309               | \$ 822            | \$ 396            |
| Other current assets                   | 83                   | 58                | 55                |
| Total current assets                   | 392                  | 880               | 451               |
| Property, furniture and equipment, net | 269                  | 373               | 108               |
| Intangible assets, net                 | 306                  | 363               | 439               |
| Other assets                           | 13                   | 13                | 13                |
| Total assets                           | \$ 980               | \$ 1,629          | \$ 1,011          |
| <b>LIABILITIES AND NET ASSETS</b>      |                      |                   |                   |
| Current liabilities:                   |                      |                   |                   |
| Accounts payable                       | \$ 127               | \$ 64             | \$ 197            |
| Accrued liabilities                    | 283                  | 490               | 1,169             |
| Deferred revenue                       | 876                  | 1,198             | 652               |
| Total current liabilities              | 1,286                | 1,752             | 2,018             |
| Net Assets                             | (306)                | (123)             | (1,007)           |
| Total liabilities and net assets       | \$ 980               | \$ 1,629          | \$ 1,011          |

Table of Contents**POSTANO BUSINESS****UNAUDITED CONDENSED STATEMENTS OF OPERATIONS****(In thousands)**

|                               | <b>Year Ended</b>     | <b>Year Ended</b>     | <b>Nine Months</b>    | <b>Nine Months</b>    |
|-------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|
|                               | <b>March 31, 2015</b> | <b>March 31, 2014</b> | <b>Ended December</b> | <b>Ended December</b> |
|                               |                       |                       | <b>31, 2015</b>       | <b>31, 2014</b>       |
| <b>Net revenues:</b>          |                       |                       |                       |                       |
| Subscription                  | \$ 2,313              | \$ 810                | \$ 2,354              | \$ 1,681              |
| Services                      | 343                   | 235                   | 248                   | 276                   |
| Total net revenues            | 2,656                 | 1,045                 | 2,602                 | 1,957                 |
| <b>Operating expenses:</b>    |                       |                       |                       |                       |
| Cost of subscription revenues | 721                   | 1,076                 | 474                   | 546                   |
| Cost of service revenues      |                       | 216                   | 65                    |                       |
| Selling and marketing         | 3,498                 | 3,704                 | 1,620                 | 2,851                 |
| Research and development      | 2,456                 | 3,158                 | 1,161                 | 1,810                 |
| General and administrative    | 643                   | 18                    | 429                   | 436                   |
| Total operating expenses      | 7,318                 | 8,172                 | 3,749                 | 5,643                 |
| Operating loss                | (4,662)               | (7,127)               | (1,147)               | (3,686)               |
| Income tax provision          |                       |                       |                       |                       |
| Net loss                      | \$ (4,662)            | \$ (7,127)            | \$ (1,147)            | \$ (3,686)            |

Table of Contents**POSTANO BUSINESS****UNAUDITED CONDENSED STATEMENTS OF CASH FLOWS****(In thousands)**

|   | Year Ended<br>March 31, 2015 | Year Ended<br>March 31, 2014 | Nine Months<br>Ended December<br>31, 2015 | Nine Months<br>Ended December<br>31, 2014 |
|---|------------------------------|------------------------------|---|---|
| <b>Cash flows from operating activities:</b>                                |                              |                              |   |   |
| Net Loss  | \$ (4,662)                   | \$ (7,127)                   | \$ (1,147)                                | \$ (3,686)                                |
| Adjustments to reconcile net loss to net cash used in operating activities: |                              |                              |   |   |
| Depreciation and amortization   | 125                          | 153                          | 160                                       | 98  |
| Changes in assets and liabilities:  |                              |                              |   |   |
| Trade accounts receivable   | (426)                        | (141)                        | 513                                       | (67)                                      |
| Other current assets  | (3)                          | (55)                         | (25)                                      | (3)                                       |
| Accounts payable  | (133)                        | 197                          | 63  | (82)                                      |
| Accrued liabilities   | (879)                        | 1,169                        | (57)                                      | (789)                                     |
| Deferred revenue  | 546                          | 525                          | (322)                                     | 267                                       |
| Net cash used in operating activities                                       | (5,432)                      | (5,279)                      | (815)                                     | (4,262)                                   |
| <b>Cash flows from investing activities:</b>                                |                              |                              |   |   |
| Purchases of property, furniture and equipment                              | (64)                         | (185)                        | (150)                                     | (62)                                      |
| Net cash used for investing activities                                      | (64)                         | (185)                        | (150)                                     | (62)                                      |
| Intercompany cash activity, net   | (5,496)                      | (5,464)                      | (965)                                     | (4,324)                                   |
| <b>Cash, beginning of period</b>  |                              |                              |   |   |
| Cash, end of period   | \$                           | \$                           | \$  | \$  |

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**POSTANO BUSINESS**

**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS**

**1. BASIS OF PREPARATION**

The unaudited condensed financial statements furnished herein have been derived from the historical financial statements of TigerLogic Corporation and its subsidiaries (collectively, the Company or we, us or our ) related to the Company's social media content curation and visualization business known as Postano.

The unaudited condensed financial statements reflect the direct revenues, expenses, assets and liabilities of the Postano business. The Postano business operates as part of one of the Company's operating subsidiaries and is not a separate entity. No Company-related corporate expenses have been allocated to the Postano business in the unaudited condensed financial statements.

Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles in the United States have been omitted and these unaudited condensed financial statements should be read in conjunction with the Company's Quarterly Report on Form 10-Q for the three months ended December 31, 2015, and Annual Report on Form 10-K for the fiscal year ended March 31, 2015. The results of operations for any period are not necessarily indicative of results to be expected for any future period.

**2. RECENT DEVELOPMENTS**

On February 17, 2016, the Company entered into an Asset Purchase Agreement (the Asset Purchase Agreement ) with Sprinklr, Inc. ( Sprinklr ). Pursuant to the Asset Purchase Agreement, we intend to sell and Sprinklr intends to purchase substantially all of the assets associated with our Postano social media content curation and visualization business (the Postano Assets ). We will sell the Postano Assets to Sprinklr in exchange for cash consideration of \$2,400,000 and the assumption by Sprinklr of certain liabilities of the Company under contracts being assumed by Sprinklr.

Each party made customary representations, warranties and covenants in the Asset Purchase Agreement. The Asset Purchase Agreement contains indemnification provisions pursuant to which we and Sprinklr have agreed to indemnify the other for certain losses, including with respect to litigation, tax and other matters. The consummation of the Asset Purchase Agreement and the transactions contemplated thereby are subject to closing conditions as outlined in the Asset Purchase Agreement.

The Postano Business financial statements and footnotes provided herein do not give effect to the closing of the transaction.

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

*Revenue Recognition.* Revenue attributable to an element in a customer arrangement is recognized when persuasive evidence of an arrangement exists, delivery has occurred, the fee is fixed or determinable, and collectability is probable. If, at the outset of the customer arrangement, we determine that the arrangement fee is not fixed or determinable, we defer the revenue and recognize the revenue when the arrangement fee becomes due and payable. We do not have price protection programs or conditional acceptance agreements, and sales of our products are made without right of return.

For contracts with multiple software and software-related elements, we recognize revenue for the delivered elements, generally software licenses, using the residual value method when vendor-specific objective evidence (VSOE) of fair value exists for all undelivered elements, consisting primarily of post-contract customer support (PCS). PCS is recognized ratably over the support term.

For our hosted software subscription arrangements, subscription revenue is recognized ratably over the subscription period. We also have professional services revenue consisting of consulting and training services that are either recognized as the services are performed or upon the completion of the services depending on the nature of the services. When subscription arrangements involve multiple elements that qualify as separate units of accounting, we allocate arrangement consideration to all deliverables based on the relative stand-alone selling price method in accordance with the selling price hierarchy, which includes: (i) VSOE if available; (ii) third-party evidence (TPE) if VSOE is not available; and (iii) best estimate of selling price (BESP) if neither VSOE nor TPE is available. Revenue allocated to each deliverable, limited to the amount not contingent on future performance, is then recognized when the basic revenue recognition criteria are met for the respective deliverables. When subscription arrangements involve multiple elements that do not qualify as separate units of accounting, the entire arrangement consideration is recognized over the subscription period.

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We determine whether VSOE can be established based on our historical pricing and discounting practices for the specific deliverable when sold separately. In determining VSOE, we require that a substantial majority of the selling prices fall within a reasonably narrow pricing range. We have established VSOE for our PCS included in our software arrangements, but have not yet been able to establish VSOE for our subscription or other services.

When VSOE cannot be established for our subscription and other services, we apply judgment with respect to whether we can establish a selling price based on TPE. TPE is determined based on third party pricing practices for similar deliverables when sold separately. Generally, our pricing strategy differs from that of our peers and our offerings contain a significant level of differentiation such that the comparable pricing of services with similar functionality cannot be obtained. Furthermore, typically, we are unable to reliably determine what similar competitors' selling prices are on a stand-alone basis. As a result, we have not been able to establish selling prices based on TPE.

When we are unable to establish a selling price for our subscription and other services using VSOE or TPE, we use BESP in our allocation of arrangement consideration. The objective of BESP is to determine the price at which we would transact a sale if the respective elements were sold on a stand-alone basis. We estimate BESP for services by considering multiple factors including, but not limited to, prices charged for similar offerings, market conditions, competitive landscape, costs of providing the services, and our overall pricing practices. We currently use BESP in order to allocate the selling price to our deliverables in multiple element subscription arrangements.

*Cost of Subscription and Service Revenue.* Cost of subscription revenue is comprised of direct costs for Postano subscriptions associated with data center hosting and personnel costs relating to platform access, web embed displays, social content analytic reports and phone support. Cost of service revenue includes primarily personnel costs related to consulting, technical support, and training.

*Use of Estimates.* The preparation of financial statements requires us to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Changes in the accounting estimates we use are reasonably likely to occur from time to time, which may have a material effect on the presentation of our financial condition and results of operations. We review our estimates, judgments, and assumptions periodically and reflect the effects of revisions in the period in which they are deemed to be necessary.

#### **4. LEGAL SETTLEMENT**

On July 2, 2015, the Company was sued for patent infringement by Monster Patents, LLC ( Monster ) in the United States District Court Southern District of New York. The complaint alleged that the Company's Postano products infringe a single patent owned by Monster. On January 14, 2016, the Company entered into a settlement agreement with Monster (the Settlement Agreement ), pursuant to which all outstanding litigation with Monster was settled and the parties stipulated to dismissal of the action with prejudice. Under the terms of the Settlement Agreement, Monster granted the Company a fully paid, worldwide, perpetual license to the Monster patent portfolio in exchange for a cash payment and a limited subscription to the Postano platform for a two-year period. The remaining terms of the Settlement Agreement are confidential. The Company has included the costs of settlement in its financial results for the quarter ended December 31, 2015.



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**Appendix A**

**ASSET PURCHASE AGREEMENT**

**BY AND BETWEEN**

**SPRINKLR, INC.**

**AND**

**TIGERLOGIC CORPORATION**

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## **Schedules**

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**ASSET PURCHASE AGREEMENT**

This ASSET PURCHASE AGREEMENT (this Agreement ), dated as of February 17, 2016, is entered into by and between Tigerlogic Corporation, a Delaware corporation ( Seller ) and Sprinklr, Inc., a Delaware corporation ( Purchaser ).

**RECITALS**

**WHEREAS**, Seller desires to sell to Purchaser, and Purchaser desires to purchase from Seller, the Acquired Assets, which constitute all of the assets used in connection with Seller's social media software and services that provide aggregation, monitoring, curation, visualizing and analytics from social media streams, including but not limited to Twitter, Vine, Facebook, Flickr, Instagram, Periscope, Tumblr, Pinterest, RSS, YouTube, Google+ and Vimeo (the Business ), upon the terms and subject to the conditions of this Agreement;

**WHEREAS**, in consideration of the Acquired Assets, at the Closing, Purchaser shall pay to Seller the Purchase Price and assume the Assumed Liabilities upon the terms and subject to the conditions of this Agreement; and

**WHEREAS**, in connection with the purchase of the Acquired Assets, Seller desires to enter into a desk license agreement with Purchaser.

**NOW, THEREFORE**, in consideration of the mutual covenants and undertakings contained herein, and subject to and on the terms and conditions set forth herein, the parties hereto hereby agree as follows:

**ARTICLE I  
PURCHASE AND SALE OF ACQUIRED ASSETS;  
ASSUMPTION OF LIABILITIES**

Section 1.01. Purchase and Sale. On the terms and subject to the conditions of this Agreement, at the Closing, Seller shall sell, assign, transfer, convey and deliver to Purchaser, and Purchaser shall purchase from Seller all the right, title and interest of Seller in, to and under the Acquired Assets, free and clear of all Liens, for the consideration described in Section 2.01. The purchase and sale of the Acquired Assets and the assumption of the Assumed Liabilities is referred to in this Agreement as the Acquisition .

Section 1.02.

Acquired Assets and Excluded Assets.

(a) The term Acquired Assets means all of the assets, properties, contractual rights, goodwill, going concern value, rights and claims of Seller, wherever situated and of whatever kind and nature, real or personal, tangible or intangible, that are used, held for use or intended to be used in the Business, other than the Excluded Assets. For the avoidance of doubt, the Acquired Assets include, but are not limited to the following:

(i) all accounts receivable related to Assigned Contracts, including the accounts receivable set forth on Schedule 1.02(a)(i);

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- (ii) all tangible personal property and interests used in the operation or conduct of the Business set forth on Schedule 1.02(a)(ii) (the Personal Property );
  
- (iii) all work in process and other inventories of Seller that, as of the Closing Date, are used, held for use or intended to be used in the operation or conduct of the Business;
  
- (iv) all Postano Intellectual Property, including all right, title and interest of Seller in and to the intellectual property set forth on Schedule 1.02(a)(iv) (the Specified Patents, Trademarks and Domain Names );
  
- (v) the Contracts (A) listed in Schedule 1.02(a)(v)(A), none of which require consent to assignment and (B) listed in Schedule 1.02(a)(v)(B), all of which require consent to assignment (such consents, the Required Consents ) (the Contracts referred to in clauses (A) and (B) are referred to collectively as the Assigned Contracts );
  
- (vi) all deposits (including customer deposits) and prepaid charges and expenses of Seller that, as of the Closing Date, are related to the Assigned Contracts (provided, that, for avoidance of doubt, cash from customer prepayment of subscriptions or services under the Assigned Contracts shall not be included in the Acquired Assets);
  
- (vii) all rights, claims and credits to the extent relating to any Acquired Asset or any Assumed Liability and all guarantees, warranties, indemnities and similar rights in favor of Seller in respect of any other Acquired Asset or any Assumed Liability;
  
- (viii) all advertising, marketing and promotional materials, all archival materials and all other printed or written materials used in connection with the Business;
  
- (ix) all leases for real property (including any security deposits, and security for electricity, telephone or otherwise), all leasehold improvements, fixtures and furniture located in any building, office or other space leased, owned or occupied by Seller or in any warehouse or other storage facility where any of Seller's properties and assets may be located;
  
- (x) all files (including, but not limited to all personnel files for Offer Employees, but excluding personnel files for employees of Seller who are not Offer Employees), invoices, customers and suppliers lists, prospective customer and partner lists, potential distributor lists, billing and purchase records (together with the

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supporting documents related thereto), backlog records, customer and prospective customer communications, sales and promotional literature and manuals (in all cases, in any form or medium), of Seller that are used, held for use or intended to be used in the operation or conduct of the Business (the Records ), provided, that, with respect to any Records not maintained exclusively for the Business, Seller shall be obligated to provide only copies of such Records to Purchaser, and shall retain ownership of the original versions of such Records; and

(xi) all goodwill generated by or associated with the Acquired Assets.

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(b) The term Excluded Assets means all the business, properties, assets, goodwill and rights of Seller of whatever kind and nature, real or personal, tangible or intangible, that are owned, leased or licensed by Seller on the Closing Date, other than the Acquired Assets, including, for the avoidance of doubt:

(i) all cash and cash equivalents, bank accounts and securities;

(ii) all Tax assets (including Tax refunds and prepayments);

(iii) all Benefit Arrangements;

(iv) all rights of Seller to the extent relating to any Excluded Asset or any Excluded Liability, including any such items arising under insurance policies and all guarantees, warranties, indemnities and similar rights in favor of Seller in respect of any other Excluded Asset or any Excluded Liability;

(v) all rights of Seller under: this Agreement, the Bill of Sale, the Desk License Agreement, the Assignment and Assumption Agreement and the IP Assignment Agreements (such agreements, collectively, the Ancillary Agreements );

(vi) all records prepared in connection with the sale of the Business to Purchaser and all other records of Seller other than the Records; and

(vii) all property and assets of Seller not used in the Business and related primarily to any line of business of Seller other than the Business, provided that Excluded Assets shall include those assets that provide the Business with accounting, record keeping, email or human resource services that are exclusively administrative in nature and that are provided to the Business on a shared basis.

Section 1.03. Liabilities.

(a) Upon the terms and subject to the conditions of this Agreement, at the Closing, Purchaser shall assume, and from and after the Closing Purchaser shall pay, perform and discharge when due, only the following

liabilities, obligations and commitments of Seller (the Assumed Liabilities ): (i) all payables listed on Schedule 1.03(a)(i) (the Assumed Payables ), (ii) all obligations or commitments (x) relating to any Transferred Employees, relating to services performed, benefits accrued or claims accrued or incurred prior to the Closing, including any bonus payable as a result of the transactions contemplated hereby, and (y) relating to or arising at any time under any Benefit Arrangement, but in each case only to the extent listed on Schedule 1.03(a)(ii) (the Assumed Employee Obligations ), (iii) liabilities and obligations arising pursuant to the Assigned Contracts related to the period before the Closing to the extent described on Schedule 1.03(a)(iii) and (iv) liabilities and obligations arising as a result of Purchaser's operation of the Business and Assets from and after the Closing to the extent related to the period from and after the Closing, other than the Excluded Liabilities.

(b) Notwithstanding Section 1.03(a), and regardless of any disclosure to Purchaser, Purchaser shall not assume any liabilities, obligations and commitments of Seller other than the Assumed Liabilities (all such liabilities, obligations and commitments other than

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the Assumed Liabilities being referred to as the Excluded Liabilities ), all of which shall be retained and paid, performed and discharged when due by Seller. For purposes of this Section 1.03(b), Seller shall be deemed to include all Affiliates and Subsidiaries of Seller and any Person with respect to which Seller is a successor-in-interest (including by operation of law, merger, liquidation, consolidation, assignment, assumption or otherwise).

(c) Specifically, and without in any way limiting the generality of Section 1.03(b), Purchaser shall not assume any of the following liabilities, obligations and commitments of Seller, and such Excluded Liabilities shall be retained by Seller:

(i) other than the obligations set forth on Schedules 1.03(a)(i) (iii), any liability, obligation or commitment arising out of the operation or conduct by Seller or any of its Affiliates of the Business on or prior to the Closing Date, including any liability, obligation or commitment arising under the Acquired Assets;

(ii) except for the Assumed Payables, all of Seller's accounts payable;

(iii) any liability, obligation or commitment arising out of the operation or conduct by Seller or any of its Affiliates of any business other than the Business;

(iv) other than as set forth on Schedule 1.03(a)(iii), any liability, obligation or commitment arising out of any breach by Seller of, or nonperformance by Seller under, any Assigned Contract prior to the Closing (the Retained Contract Liabilities );

(v) other than the Assumed Employee Obligations listed on Schedule 1.03(a)(ii), any liability, obligation or commitment (1) relating to current or former Postano Employees, agents, consultants or other independent contractors of the Business, whether or not such Persons become Transferred Employees or are otherwise employed by or perform other services for Purchaser or its Affiliates after the Closing, relating to services performed, benefits accrued or claims accrued or incurred prior to the Closing, including any bonus payable as a result of the transactions contemplated hereby, and (2) relating to or arising at any time under any Benefit Arrangement;

(vi) any liability, obligation or commitment arising out of any actual or alleged violation by Seller or any of its Affiliates of any Applicable Law prior to the Closing;

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(vii) any liability, obligation or commitment of Seller that relates to, or that arises out of, any Excluded Asset; and

(viii) any liability, obligation or commitment for Taxes, whether or not accrued, assessed or currently due and payable, (A) of Seller or (B) relating to the operation or ownership of the Business or the Acquired Assets for any Tax period (or portion thereof) ending on or prior to the Closing Date.

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**ARTICLE II  
CONSIDERATION**

Section 2.01. Consideration. The consideration to be paid by Purchaser to Seller to acquire the Acquired Assets shall consist of the following:

- (a) Two Million Four Hundred Thousand Dollars (\$2,400,000) (the Purchase Price ); and
- (b) the assumption by Purchaser of the Assumed Liabilities.

**ARTICLE III  
CLOSING**

Section 3.01. Closing Date. The closing of the Acquisition (the Closing ) shall take place at the offices of Lowenstein Sandler LLP, 1251 Avenue of the Americas, New York, New York 10020, as soon as practicable (and, in no event, later than three (3) Business Days) after all the conditions set forth in Article VII have been satisfied (or, to the extent permitted, waived by the parties entitled to the benefits thereof), or at such other place, time and date as shall be agreed between Seller and Purchaser. The date on which the Closing occurs is referred to in this Agreement as the Closing Date .

Section 3.02. Transactions To Be Effected at the Closing. At the Closing:

- (a) Seller shall execute, as applicable, and deliver to Purchaser the following:
  - (i) a bill of sale, substantially in the form attached hereto as Exhibit A (the Bill of Sale );
  - (ii) an assignment and assumption agreement in respect of the Assigned Contracts, substantially in the form attached hereto as Exhibit B (the Assignment and Assumption Agreement );

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- (iii) assignments of Specified Patents, Trademarks and Domain Names in the forms attached hereto as Exhibit C-1 to Exhibit C-3, respectively (collectively, the IP Assignment Agreements );
  
- (iv) a non-foreign affidavit, dated as of the Closing Date, sworn under penalty of perjury and substantially in the form attached hereto as Exhibit D, stating that the Seller is not a foreign Person as defined in Code §1445 (the FIRPTA Certificate );
  
- (v) a desk license agreement, in the form attached hereto as Exhibit E (the Desk License Agreement );
  
- (vi) the certificate required by Section 7.02(b);
  
- (vii) evidence reasonably satisfactory to Purchaser that the Acquired Assets are free and clear of all Liens;  
and



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(viii) such other documents as Purchaser or its counsel may reasonably request to demonstrate satisfaction of the conditions and compliance with the covenants set forth in this Agreement.

(b) Purchaser shall execute, as applicable, and deliver to Seller the following:

(i) the Purchase Price, by wire transfer of immediately available funds to a bank account designated in writing by Seller;

(ii) the Assignment and Assumption Agreement;

(iii) the IP Assignment Agreements;

(iv) the Desk License Agreement;

(v) the certificate required by Section 7.03(b); and

(vi) such other documents as Seller or its counsel may reasonably request to demonstrate satisfaction of the conditions and compliance with the covenants set forth in this Agreement.

Section 3.03. Risk of Loss. Until the Closing, any loss of or damage to the Acquired Assets from fire, casualty or any other occurrence shall be the sole responsibility of Seller.

**ARTICLE IV  
REPRESENTATIONS AND WARRANTIES OF SELLER**

Subject to such exceptions as are specifically set forth in the appropriate section of the disclosure schedule supplied by the Seller to Purchaser on the date hereof (the Seller Disclosure Schedule ), or in any other section of the Seller Disclosure Schedule solely if and to the extent that it is reasonably apparent on the face of such disclosure that it applies to such other section of this Article IV, the Seller represents and warrants to Purchaser as follows:

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For purposes of these representations and warranties (other than those in Section 4.02), the term the Seller shall include any Subsidiaries of Seller, unless otherwise noted herein.

Section 4.01. Organization, Standing and Power. Seller is duly organized, validly existing and in good standing under the laws of the jurisdiction in which it is organized and has full company power and authority and possesses all governmental franchises, licenses, permits, authorizations and approvals necessary to enable it to own, lease or otherwise hold its properties and assets used in the Business and to conduct the Business as presently conducted. Seller is duly qualified to conduct business as a foreign company in each jurisdiction where the conduct of the Business in such jurisdiction makes such qualification necessary, except where the failure to be so qualified would not reasonably be expected to result in a Material Adverse Effect. Section 4.01 of the Seller Disclosure Schedule lists each such jurisdiction. The Business has been operated exclusively by Seller and none of the Acquired Assets are held by any Person other than Seller.

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Section 4.02. Authority, Execution and Delivery and Enforceability. Seller has, or will have obtained prior to the Closing, all requisite power and authority to execute this Agreement and the Ancillary Agreements to which it is a party and to consummate the Acquisition and the other transactions contemplated hereby and thereby. The execution and delivery by Seller of this Agreement and the Ancillary Agreements to which it is a party and the consummation by Seller of the Acquisition and the other transactions contemplated hereby and thereby have been (or will be, in the case of the Ancillary Agreements) duly authorized by Seller. Seller has duly executed and delivered this Agreement and prior to the Closing will have duly executed and delivered each Ancillary Agreement to which it is a party, and, assuming the due execution and delivery by the other parties hereto and thereto, this Agreement constitutes, and each Ancillary Agreement to which it is a party will after the Closing constitute, its legal, valid and binding obligation, enforceable against it in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, moratorium or other similar Applicable Laws affecting or relating to creditors' rights generally and general principles of equity, regardless of whether asserted in a proceeding in equity or at law.

Section 4.03. No Conflicts. The execution and delivery by Seller of this Agreement does not, the execution and delivery by Seller of each Ancillary Agreement to which it is a party will not, and the consummation of the Acquisition and the other transactions contemplated hereby and thereby and compliance by Seller with the terms hereof and thereof will not conflict with, or result in any violation of or default (with or without notice or lapse of time, or both) under, or give rise to a right of termination, cancellation or acceleration of any obligation or to loss of a material benefit under, or to increased, additional, accelerated or guaranteed rights or entitlements of any Person under, or result in the creation of any Lien upon any of the properties or assets of Seller pursuant to, any provision of (i) the certificate of incorporation, bylaws or other organizational documents of Seller, or (ii) any judgment, order or decree ( Judgment ) or statute, law (including common law), ordinance, rule or regulation ( Applicable Law ) applicable to Seller or the Business, except, with respect to clause (ii), where the result thereof would not reasonably be expected to result in a Material Adverse Effect. No consent, approval, license, permit, order or authorization ( Consent ) of, or registration, declaration or filing with, any federal, state, local or foreign government or any court of competent jurisdiction, administrative agency or commission or other governmental authority or instrumentality, domestic or foreign (a Governmental Entity ) is required to be obtained or made by Seller or any of its Subsidiaries in connection with the execution, delivery and performance of this Agreement or any Ancillary Agreement or the consummation of the Acquisition or the other transactions contemplated hereby and thereby, except where (i) Seller has notified Buyer of the requirement in writing and (ii) the failure to obtain any such Consents would not, in the aggregate, reasonably be expected to result in a Material Adverse Effect.

Section 4.04. Financial Statements. Section 4.04 of the Seller Disclosure Schedule contains the following financial statements of Seller: (i) the unaudited pro forma balance sheet information for the selected accounts of the Business as of the end of the fiscal year ended March 31, 2015 and as of December 31, 2015; and (ii) the unaudited pro forma statements of income for the last five (5) fiscal quarters ending December 31, 2015 (the foregoing (i) and (ii) , collectively, the Financial Statements ). The Financial Statements are based upon the books and records of Seller and present fairly, in all material respects, the financial condition, operating results and cash flows of the Business as of the dates and during the periods indicated therein.



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Section 4.05. Assets. Seller has good and valid title to all the Acquired Assets, in each case free and clear of all mortgages, liens, security interests, charges, easements, leases, subleases, covenants, options, claims, restrictions or encumbrances of any kind other than Permitted Liens (collectively, Liens ).

Section 4.06. Intellectual Property.

(a) Definitions. As used in this Agreement, the following terms have the meanings indicated below:

(i) Intellectual Property Rights means any and all worldwide rights in, arising from or associated with the following, whether protected, created or arising under the laws of the United States or any other jurisdiction or under any international convention: (1) all patents and applications therefor and all reissues, divisions, re-examinations, renewals, extensions, provisionals, substitutions, continuations and continuations-in-part thereof, and equivalent or similar rights anywhere in the world in inventions and discoveries including, without limitation, invention disclosures (Patents ); (2) all trade secrets and other proprietary information which derive independent economic value from not being generally known to the public (collectively, Trade Secrets ); (3) all copyrights, copyrights registrations and applications therefor (Copyrights ); (4) all uniform resource locators, e-mail and other internet addresses and domain names and applications and registrations therefor (Domain Names ); (5) all unregistered trade names, corporate names, logos, slogans, trade dress, trademarks, service marks, and all goodwill associated therewith (Trademarks ); (6) rights of publicity; (7) moral rights and rights of attribution; (8) computer programs (whether in source code, object code, or other form), databases, compilations and data, technology supporting the foregoing, and all documentation, including user manuals and training materials relating to the foregoing (Software ); and (9) any similar, corresponding or equivalent rights to any of the foregoing anywhere in the world.

(ii) Open Source Materials means software or other material that is distributed as free software , open source software or under a similar licensing or distribution terms (including but not limited to the GNU General Public License (GPL), GNU Lesser General Public License (LGPL), Mozilla Public License (MPL), BSD licenses, the Artistic License, the Netscape Public License, the Sun Community Source License (SCSL) the Sun Industry Standards License (SISL) and the Apache License).

(iii) Postano Intellectual Property means (A) any and all Postano Owned Intellectual Property and (B) any and all Third Party Intellectual Property that is licensed to Seller and used, held for use or intended to be used in the Business.

(iv) Postano Owned Intellectual Property means any and all Intellectual Property Rights that are owned by Seller and used in the Business.

(v) Products means all products or services produced, marketed, licensed, sold, distributed or performed by or on behalf of Seller in connection with the Business, and all products or services currently under development by Seller in connection with the Business.

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(vi) Source Code means, collectively, any software source code or database specifications or designs, or any material proprietary information or algorithm contained in or relating to any software source code or database specifications or designs of any Postano Owned Intellectual Property or Products.

(vii) Third Party Intellectual Property means any and all Intellectual Property Rights owned by a third party.

(b) Status. Seller has good title to and ownership of, or is duly licensed under or otherwise authorized to use, all Postano Intellectual Property, free and clear of any Liens. The Postano Intellectual Property is sufficient for the operation and conduct of the Business as it is presently conducted and as it is proposed to be conducted. Seller has not transferred ownership of, or agreed to transfer ownership of, any Postano Intellectual Property to any third party. All Postano Intellectual Property is fully transferable, alienable or licensable to Purchaser by Seller without restriction and without payment of any kind to any third party. No Subsidiary of Seller owns or licenses any Postano Intellectual Property.

(c) Postano Intellectual Property. Section 4.06(c) of the Seller Disclosure Schedule lists: (i) all of Seller's Patents and Patent applications, and registrations and applications for Trademarks, Copyrights, and Domain Names for any Postano Intellectual Property (collectively, Registered Postano Intellectual Property) and the jurisdictions in which such Registered Postano Intellectual Property has been issued or registered or in which any application for such issuance and registration has been filed, or in which any other filing or recordation has been made; and (ii) all actions that are required to be taken by Seller within 120 days of the effective date of this Agreement with respect to such Intellectual Property Rights in order to avoid prejudice to, impairment or abandonment of such Intellectual Property Rights. No third party has any rights to any Postano Owned Intellectual Property, other than non-exclusive license rights granted in the normal course of business to users of the Products.

(d) Registered Postano Intellectual Property. Each item of Registered Postano Intellectual Property is valid and subsisting, all necessary registration, maintenance and renewal fees currently due as of the date of this Agreement in connection with such Registered Postano Intellectual Property have been paid and all necessary documents and certificates in connection with such Registered Postano Intellectual Property have been filed with the relevant patent, copyright, trademark or other authorities in the United States or foreign jurisdictions, as the case may be, for the purposes of maintaining such Registered Postano Intellectual Property. Seller has not misrepresented, or failed to disclose, any facts or circumstances in any application for any Registered Postano Intellectual Property that would constitute fraud with respect to such application.

(e) Non-Infringement. To the knowledge of Seller, there is no unauthorized use, unauthorized disclosure, infringement or misappropriation by any third party of any Postano Owned Intellectual Property. Seller has not brought any action, suit or proceeding for infringement or misappropriation of any Postano Owned Intellectual

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Property. Except as set forth in Section 4.06(e) of the Seller Disclosure Schedule, (i) no Postano Owned Intellectual Property or any Product is infringing, misappropriating or violating, and has not infringed, misappropriated or violated, the Intellectual Property Rights of any third party, (ii) Seller has not

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been sued in any action, suit or proceeding, or received any written communications alleging that the Business would violate any Intellectual Property Rights of any third party and (iii) no Postano Owned Intellectual Property or, to the knowledge of Seller, Third Party Intellectual Property utilized in any Product is currently subject to any proceeding, order, judgment, settlement agreement, stipulation or right that restricts in any manner the use, transfer, or licensing thereof by Seller, or which may affect the validity, use or enforceability of any such Postano Owned Intellectual Property or Product.

(f) Invention Assignment. Seller has secured from all consultants, advisors, employees and independent contractors who independently or jointly contributed to or participated in the conception, reduction to practice, creation or development of any Intellectual Property Rights for Seller in connection with the Business (each an Author ), unencumbered and unrestricted exclusive ownership of such Author's Intellectual Property Rights in such contribution that Seller does not already own by operation of Applicable Law and has obtained waivers of all non-assignable rights from such Authors. No Author has retained any rights, licenses, claims or interest whatsoever with respect to any Intellectual Property Rights developed by the Author for Seller with respect to the Business. Without limiting the foregoing, Seller has obtained written and enforceable proprietary information and invention disclosure and Intellectual Property Rights assignments from all Authors, all of which are assignable by Seller to Purchaser without consent and included in the Acquired Assets. Seller has provided Purchaser with copies of all such forms currently and historically used by Seller in connection with the Business.

(g) No Governmental Assistance. At no time during the conception of or reduction to practice of any of Postano Owned Intellectual Property was any developer, inventor or other contributor operating under any grants from any Governmental Entity or agency or private source, performing research sponsored by any Governmental Entity or agency or private source, or subject to any employment agreement, invention assignment, nondisclosure agreement, or other obligation with any third party that could reasonably be expected to adversely affect Seller's rights in such Postano Owned Intellectual Property.

(h) Confidentiality. Seller has taken all commercially reasonable steps to protect and preserve the confidentiality of all Trade Secrets and other confidential or non-public information of Seller or provided by any third party to Seller ( Confidential Information ). All current and former employees and contractors of Seller and third parties having access to Confidential Information have executed and delivered to Seller a written legally binding agreement regarding the protection of Confidential Information. Seller has implemented and maintains a reasonable security plan materially consistent with industry practices of companies offering similar products or services. Seller has not experienced any breach of security or otherwise unauthorized access by third parties to the Confidential Information in Seller's possession, custody or control.

(i) Source Code. Seller has not disclosed, delivered or licensed to any Person, or agreed or obligated itself to disclose, deliver or license to any Person, or permitted the disclosure or delivery to any escrow agent or other Person of, any Source Code, other than disclosures to employees and consultants involved in the development of Products. No event has occurred, and no circumstance or condition exists, that (with or without notice or lapse of time,



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or both) will, or would reasonably be expected to, result in the disclosure, delivery or license by Seller of any Source Code, other than disclosures to employees and consultants involved in the development of Products. Without limiting the foregoing, neither the execution of this Agreement nor any of the transactions contemplated by this Agreement will result in a release from escrow or other delivery to a third party of any Source Code.

(j) Open Source Materials.

(i) Section 4.06(j) of the Seller Disclosure Schedule lists all Open Source Materials currently in use by Seller in connection with the Business and describes the manner in which such Open Source Materials are used (such description shall include whether (and, if so, how) the Open Source Materials have been modified and/or distributed by Seller).

(ii) Seller is in material compliance with the terms and conditions of all licenses for the Open Source Materials.

(iii) Seller has not (x) incorporated Open Source Materials into, or combined Open Source Materials with any Postano Owned Intellectual Property or Products; or (y) distributed to third parties Open Source Materials in conjunction with any Postano Owned Intellectual Property or Products, in the case of each of (x) and (y), in such a way that requires, as a condition of use, modification and/or distribution of such Open Source Materials that any Postano Owned Intellectual Property or Products be (i) disclosed or distributed in source code form, (ii) be licensed for the purpose of making derivative works, or (iii) be redistributable at no charge.

(k) Privacy: Personal Data. Seller is in material compliance with (i) all Applicable Laws, rules and regulations relating to the use, collection, storage, disclosure and transfer of any Personal Data (collectively, Applicable Privacy Laws ); (ii) its own privacy policies relating to the use, collection, storage, disclosure and transfer of any Personal Data ( Privacy Policies ); and (iii) the terms and conditions of all contracts pursuant to which Seller receives Personal Data from, or provides Personal Data to, any third party (each, a Data Sharing Agreement ). In addition, Seller warrants and represents that the Privacy Policies and all Data Sharing Agreements comply in all material respects with all Applicable Privacy Laws. The execution, delivery and performance of this Agreement will comply in all material respects with all Applicable Privacy Laws, Privacy Policies and Data Sharing Agreements. Seller has not received a written complaint regarding Seller's collection, use or disclosure of Personal Data. Seller takes reasonable measures to ensure that Personal Data is protected against unauthorized access, use, modification, or other misuse. No breach or violation of any security policy of Seller with respect to Personal Data has occurred or is threatened, and there has been no unauthorized or illegal use of or access to any of Personal Data. For purposes of this Agreement, Personal Data means any personally identifiable information collected by Seller or by any third party on behalf of Seller in connection with the Business.

Section 4.07. Contracts.

(a) The Assigned Contracts are used, held for use or intended to be used in the operation or conduct of the Business. Section 4.07 of the Seller Disclosure Schedule sets forth

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all Assigned Contracts that (i) limit the Seller's exclusive right to develop, manufacture, distribute, market or sell its products or (ii) with respect to Assigned Contracts between Seller and a supplier or customer identified on Section 4.18(a) of the Seller Disclosure Schedule or Section 4.19(a) of the Seller Disclosure Schedule, contain non-competition obligations.

(b) Each Assigned Contract is valid, binding and enforceable by Seller in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, moratorium or other similar Applicable Laws affecting or relating to creditors' rights generally and general principles of equity, regardless of whether asserted in a proceeding in equity or at law. Seller is not (with or without the lapse of time or the giving of notice, or both) in material breach or material default in any respect thereunder and, to the knowledge of Seller, no other party to any Assigned Contract is (with or without the lapse of time or the giving of notice, or both) in material breach or material default in any respect thereunder. As of the date hereof, Seller has not received any written notice of the intention of any party to terminate any Assigned Contract.

Section 4.08. Personal Property. Section 4.08 of the Seller Disclosure Schedule sets forth, with respect to each item of Personal Property, the purchase price thereof, the year of purchase and the accumulated book depreciation. All leased personal property used in the Business is in all material respects in the condition required of such property by the terms of the lease applicable thereto.

Section 4.09. Receivables. Section 4.09 of the Seller Disclosure Schedule sets forth a true and complete listing of all accounts and notes receivable related to the Business (the Receivables ) as of Closing and an aging schedule reflecting the aggregate amount of all Receivables outstanding (i) but not yet due, (ii) past due by more than 1 day but less than or equal to 30 days, (iii) past due by more than 31 days but less than or equal to 60 days, (iv) past due by more than 61 days but less than or equal to 90 days and (v) past due by more than 90 days. The Receivables (i) represent actual indebtedness incurred by the applicable account debtors and (ii) have arisen from bona fide transactions in the ordinary course of the Business. To the knowledge of Seller and unless specifically notated in Section 4.09 of the Seller Disclosure Schedule, all the Receivables are good and collectible at the aggregate recorded amounts thereof, net of any applicable reserves for doubtful accounts reflected on Section 4.09 of the Seller Disclosure Schedule. In the last 120 days there have not been any write offs as uncollectible of any receivables, except for write offs in the ordinary course of the Business and consistent with past practice.

Section 4.10. Permits. Section 4.10 of the Seller Disclosure Schedule lists all of the certificates, licenses, permits, authorizations and approvals ( Permits ) that are necessary to operate the Business as currently conducted. All such Permits are validly held by Seller, in full force and effect, and Seller has complied in all material respects with the terms and conditions thereof. During the past three (3) years, Seller has not received notice of any investigation, suit, action, claim or proceeding by or before any Governmental Entity (a Proceeding ) relating to any such Permits.

Section 4.11. Sufficiency of Acquired Assets. Except as set forth on Section 4.11 of the Seller Disclosure Schedule, following the consummation of the transactions described herein the



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Acquired Assets will comprise all the assets employed in connection with the Business and are sufficient to operate the Business after the Closing Date in substantially the same manner as presently conducted. The Business has never been conducted by or through any Person other than Seller.

Section 4.12. Taxes.

(a) For purposes of this Agreement:

(i) Affiliated Group means any affiliated group within the meaning of Code §1504(a) or any similar group defined under a similar provision of state, local, or non-U.S. Applicable Law.

(ii) Code means the Internal Revenue Code of 1986, as amended.

(iii) Tax means (i) any federal, state, local and non-U.S. tax, governmental fee or other like assessment or charge of any kind whatsoever (including any tax imposed under Subtitle A of the Code and any net income, alternative or add on minimum tax, gross income, gross receipts, sales, use, ad valorem, value added, transfer, franchise, profits, license, withholding tax on amounts paid, payroll, employment, unemployment, social security, healthcare, excise, severance, stamp, capital stock, occupation, property, environmental or windfall profit tax, premium, custom, duty or other tax), together with any interest, penalty, fine, addition to tax or additional amount due, imposed by any Governmental Entity (domestic or foreign) responsible for the imposition of any such tax (a Taxing Authority ), (ii) any liability for the payment of any amount of the type described in clause (i) above as a result of a party to this Agreement being a member of an affiliated, consolidated, combined or unitary group with any other corporation and (iii) any liability of any Person with respect to the payment of any amounts of the type described in clause (i) or (ii) above as a result of any express or implied obligation of such Person to indemnify or succeed to the Tax liability of any other Person or under any Tax sharing allocation agreement; provided that for purposes of this Section 4.12, the Taxes referred to in clauses (i) and (ii) shall be limited to those amounts for which the Purchaser could become liable as a successor or transferee of the Business or the Acquired Assets or which could become a lien on or charge against the Acquired Assets, and the representations set forth in this Section 4.12 shall not apply to such other Taxes of Seller as are unrelated to the Business and the Acquired Assets.

(iv) Tax Return means any return, report, form or statement filed or required to be filed with respect to any Tax (including any attachments thereto, and any amendments thereof) including any information return, claim for refund, amended return or declaration of estimated Tax.

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(b) Seller has filed or caused to be filed in a timely manner (within any applicable extension periods) all Tax Returns required to be filed by the Code or by applicable state, local or foreign Tax Applicable Laws, and all such Tax Returns are true, complete and correct in all material respects. All Taxes whether or not shown to be due on such Tax Returns have been timely paid in full or will be timely paid in full by the due date thereof. No Tax Liens exist with respect to the Acquired Assets.

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(c) Seller is not a foreign Person within the meaning of Section 1445 of the Code.

(d) Seller has complied in all material respects with all Applicable Laws relating to the collection, payment and withholding of Taxes in connection with sales and in connection with amounts allocated, paid or owing to any employee, independent contractor, creditor, equity owner or other third party and have duly and timely collected or withheld and paid over to the appropriate Taxing Authority all amounts required to be so collected or withheld and paid under all Applicable Laws. All Forms W-2 and 1099 required with respect to any payment or withholding by Seller and its Affiliates have been properly completed and timely filed. All service providers to Seller have been properly classified as employees or independent contractors for Tax purposes. Seller has timely and properly collected and remitted to the appropriate Taxing Authority all sales and use Taxes required to have been collected by Seller.

(e) All deficiencies asserted or assessments made as a result of any examinations by any Taxing Authority of the Tax Returns of Seller have either been fully paid or there exist adequate reserves determined in accordance with GAAP for payment thereof. There is no dispute or claim concerning any liability for Taxes of Seller claimed or raised by any Taxing Authority in writing or a dispute or claim to which Seller or any of the directors and officers of Seller has knowledge based upon personal contact with any agent of such authority. There are no audits or investigations of Seller in progress. No written claim has been made by a Taxing Authority in a jurisdiction where Seller does not file Tax Returns to the effect that Seller is or may be subject to taxation by that jurisdiction.

(f) Seller has not (i) requested any extension of time within which to file any Tax Return, which Tax Return has since not been filed, or (ii) waived any statute of limitations in respect of Taxes or agreed to any extension of time with respect the assessment or collection of Taxes, which Taxes have not since been paid.

(g) None of the Acquired Assets is an interest (other than indebtedness within the meaning of Code Section 163) in an entity taxable as a corporation, partnership, trust, or real estate mortgage investment conduit for Tax purposes. None of the Assumed Liabilities relate or consist of liabilities for prepaid income.

(h) Seller has not executed or entered into any agreement with, or obtained any consents or clearances from, any Taxing Authority, or has been subject to any ruling guidance specific to the Seller, that would be binding on Purchaser for any Tax period beginning after the Closing. Seller is not a party to any Tax allocation or sharing agreement. Seller has not been a member of an affiliated group filing a consolidated federal income Tax Return or has any liability for the Taxes of any Person under Treasury Regulation Section 1.1502-6 (or any similar provision of state, local, or non-U.S. law), as a transferee or successor, by contract, or otherwise.

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(i) Seller is not a party to and has not been a party to any listed transaction, as defined in Code Section 6707A(c)(2) and Treasury Regulations Section 1.6011-4(b)(2).

Section 4.13. Proceedings. There are no pending Proceedings against Seller or claims with respect to which Seller has been contacted in writing by counsel for the plaintiff or

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claimant, arising out of the conduct of the Business or against or affecting any Acquired Asset. To the knowledge of Seller, Seller is not a party or subject to or in default under any Judgment applicable to the conduct of the Business or any Acquired Asset or Assumed Liability. There is not any Proceeding or claim by Seller pending, or that Seller presently intends to initiate, against any other Person arising out of the conduct of the Business. To the knowledge of Seller, during the past three (3) years, Seller has not received notice of any suit, action, claim or proceeding by or before any Governmental Entity relating to the Business or any Acquired Asset or Assumed Liability.

Section 4.14. Benefit Arrangements.

(a) Section 4.14(a) of the Seller Disclosure Schedule contains a true, correct and complete list of each Benefit Arrangement. With respect to each Benefit Arrangement, Seller has delivered to Purchaser true, correct and complete copies (where applicable) of the most recent (i) plan document (or a written summary of the material terms of any oral Benefit Arrangement) and any related trust agreements and any amendments thereto, insurance contracts or policies and service provider agreements, (ii) summary plan description (including any summaries of material modification), (iii) annual report and Forms 5500 (including all schedules thereto), (iv) determination, opinion, notification or advisory letter received from the Internal Revenue Service by the Benefit Arrangement or its prototype sponsor, and (v) all material communications with any Governmental Entity relating to any Benefit Arrangement. There are no pending, or to the knowledge of Seller, threatened claims (other than routine claims for benefits) or Proceedings against or relating to any Benefit Arrangement by or on behalf of any current or former Postano Employees. Seller has performed in all material respects all obligations (including the provision of notices and reports) required to be performed by Seller under each Benefit Arrangement. All contributions and premium payments required to be made under any Benefit Arrangement in respect of current or former Postano Employees have been timely made. No Benefit Arrangement has terms requiring assumption by Purchaser. Each Benefit Arrangement has in all material respects been established, maintained, operated and administered in accordance with Applicable Law.

(b) Neither Seller nor any of its ERISA Affiliates has or has ever had any liability with respect to any Benefit Arrangement that is subject to Title IV of ERISA or Section 412 of the Code, including a multiemployer plan , as defined in Section 3(37) or Section 4001(a)(3) of ERISA, or a single employer plan within the meaning of Section 4001(a)(15) of ERISA. None of the Acquired Assets are subject to a Lien under ERISA or Section 430 of the Code.

(c) Except as set forth on Section 4.14(c) of the Seller Disclosure Schedule, neither the execution of this Agreement nor the consummation of any of the transactions contemplated hereby will, either alone or in conjunction with any other event, (i) result in any obligation or liability to any current or former employee, director, officer, contractor or consultant of Seller or any of its Affiliates, (ii) be a trigger event under any Benefit Arrangement that will result in any payment (whether of severance pay or otherwise) becoming due, or (iii) accelerate the time of payment or vesting, or increase the amount, of any compensation theretofore or thereafter due.



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(d) Neither the execution and delivery of this Agreement nor the consummation of any of the transactions contemplated hereby will, either alone or in connection with any other event, give rise to any excess parachute payment, as defined in Section 280G(b)(1) of the Code, or any other amount that would not be deductible under Section 280G of the Code or would be subject to an excise tax under Section 4999 of the Code.

Section 4.15. Absence of Changes or Events. Since the Interim Balance Sheet Date, there has not been any event, change or occurrence that has had, or would reasonably be expected to have, a material adverse effect on the business, assets, financial condition or results of operations of the Business, taken as a whole. Since the Interim Balance Sheet Date, Seller has caused the Business to be conducted in the ordinary course and in substantially the same manner as previously conducted by Seller and has made reasonable efforts consistent with past practices to preserve the relationships of the Business with customers, suppliers and others with whom the Business deals and has not taken any action that, if taken after the date of this Agreement, would constitute a breach of Section 6.01.

Section 4.16. Compliance with Applicable Laws.

(a) Seller is, and has at all times been, in compliance with all Applicable Laws, except where failure to be in compliance would not have a Material Adverse Effect. Seller has not received any written notice during the past three (3) years from any Governmental Entity that alleges that Seller is not in compliance in any respect with any Applicable Law. To the knowledge of Seller, Seller has not been under investigation with respect to the violation of any Applicable Laws and there are no facts or circumstances which could form the basis for any such violation.

(b) Neither Seller nor, to the knowledge of Seller, any securityholder, director, officer or employee, or other Person associated with or acting on behalf of any of them, has directly or indirectly made any contribution, gift, bribe, rebate, payoff, influence payment, kickback or other payment to any Person, private or public, regardless of form, whether in money, property, or services (i) to obtain favorable treatment in securing business or regulatory benefits for Seller, (ii) to pay for favorable treatment for business secured by Seller, (iii) to obtain special concessions or for special concessions already obtained, for or in respect of Seller, or (iv) in material violation of any Law.

Section 4.17. Employee and Labor Matters.

(a) None of the Postano Employees are covered by a collective bargaining agreement or represented by a labor union or labor organization. There is not any, and during the past three (3) years there has not been any, labor strike, dispute, work stoppage or lockout pending, or, to the knowledge of Seller, threatened. To the knowledge of Seller, no union organizational campaign is in progress with respect to the employees of Seller. Seller is not, and has never, engaged in any unfair labor practice. There are not any unfair labor practice charges or complaints against

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Seller in existence, or, to the knowledge of Seller, threatened, before the National Labor Relations Board. There are not in existence or, to the knowledge of Seller, threatened, any charges in connection with the conduct of the Business against the Seller or any current or former Postano Employees before the Equal Employment Opportunity Commission or

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any state or local agency responsible for the prevention of unlawful employment practices. Seller has not received written notice during the past three years of the intent of any Governmental Entity responsible for the enforcement of labor or employment Applicable Laws to conduct an investigation of the Seller and, to the knowledge of Seller, no such investigation is in progress.

(b) Section 4.17(b)(i) of the Seller Disclosure Schedule sets forth (x) the names, titles and hire dates of, current annual compensation, and annual bonuses and any bonuses paid or payable for services rendered during 2015 for, the paid time off accrual amounts of, and commission and bonus accrual of, each Postano Employee and whether the employee is currently on an active or inactive status (including, leave of absence of any nature, paid or unpaid, authorized or unauthorized, including disability, family, maternity, parental or other leave, sick leave), and (y) the name of each individual who currently provides, or who has within the prior twelve (12)-month period provided, services to Seller as an independent contractor with respect to the Business. Section 4.17(b)(ii) of the Seller Disclosure Schedule sets forth, as of the day before the date of this Agreement, Seller's obligations or commitments relating to any Service Provider for services performed, benefits accrued or claims accrued or incurred prior to the Closing (including under any Benefit Arrangement, unused paid time off and any bonus payable as a result of the transactions contemplated hereby). Seller has delivered to Purchaser a true, correct and complete copy of each employment, consulting or independent contractor agreement, confidentiality/assignment of inventions agreement and/or non-competition agreement entered into with an employee or individual service provider of the Business and all current written employee manuals and handbooks, written employment policy statements, material employment practices, and internal regulations applicable to the Postano Employees.

(c) Except as set forth in Section 4.17(c) of the Seller Disclosure schedule, the employment of each Postano Employee is terminable by Seller at will, and Seller has no obligation to provide any particular form or period of notice prior to terminating the employment of such employees. To the knowledge of Seller, no Postano Employee has any plans to terminate employment with Seller. All employees engaged in the Business are employed by Seller. With respect to current and former employees and other individual service providers of the Business (each a Service Provider which for the avoidance of doubt, includes current and former Postano Employees): (i) Seller is and has been for the last three (3) years in compliance in all material respects with all Applicable Laws respecting employment and employment practices, terms and conditions of employment and wages and hours, including any Applicable Laws respecting minimum wage and overtime payments, employment discrimination, workers' compensation, family and medical leave, immigration, and occupational safety and health requirements; (ii) each Service Provider classified by Seller as an independent contractor satisfies and has satisfied the requirements of any Applicable Law to be so classified, and Seller has in all material respects with all Applicable Laws fully and accurately reported such independent contractors' compensation on IRS Forms 1099 (and the foreign equivalent thereof) when required to do so; (iii) Seller is not delinquent to, or has failed to pay when due, any Service Provider for any wages (including overtime, meal breaks or waiting time penalties), salaries, commissions, accrued and unused vacation, or on-call payments or equal pay to which they would be entitled under Applicable Law, if any, bonuses, benefits or other compensation for any services performed by them or amounts required to be reimbursed or damages or interest paid to such individuals; and (iv) Seller has no liability for any payment to any trust or other fund

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governed by or maintained by or on behalf of any Governmental Authority with respect to unemployment compensation benefits, social security or other benefits or obligations for Service Providers (other than routine payments to be made in the normal course of business and consistent with past practice).

(d) To the knowledge of Seller, no Postano Employee is a party to or bound by any Contract, or subject to any Judgment that is reasonably likely to interfere with the use of such Person's best efforts to promote the interests of the Business or is reasonably likely to conflict with the Business or the transactions contemplated hereby. To the knowledge of Seller, no activity of any Postano Employee as or while an Postano Employee has caused a violation of any employment contract, confidentiality agreement patent disclosure agreement or other Contract to which such employee was a party.

Section 4.18. Suppliers.

(a) Section 4.18(a) of the Seller Disclosure Schedule sets forth a complete and accurate list of the ten (10) largest suppliers of the Business, as measured by the dollar amount of purchases therefrom or thereby, during the calendar year ended December 31, 2015, showing the approximate total purchases by the Business from each such supplier, during such period. Except as set forth in Section 4.18(a) of the Seller Disclosure Schedule, the Business has not purchased, from any single supplier, goods or services for which the aggregate purchase price exceeds five percent (5%) of the total amount of goods and services purchased by the Business during the most recent full fiscal year.

(b) Between January 1, 2015 and the date hereof, there has not been (i) any material adverse change in the business relationship of the Business with any supplier named in Section 4.18(a) of the Seller Disclosure Schedule or (ii) any material adverse change in any material term (including credit terms) of the supply agreements or related arrangements with any such supplier.

Section 4.19. Customers.

(a) Section 4.19(a) of the Seller Disclosure Schedule sets forth a complete and accurate list of the twenty (20) largest customers of the Business, as measured by recognized revenue therefrom or thereby, during the calendar year ended December 31, 2015, showing the approximate total sales by the Business to each such customer during such period.

(b) Between January 1, 2015 and the date hereof, no customer listed in Section 4.19(a) of the Seller Disclosure Schedule has terminated its relationship with Seller or materially reduced or changed the pricing, payment



terms or other material terms of its business with Seller and, to the knowledge of Seller, no customer or supplier listed in Section 4.19(a) of the Seller Disclosure Schedule intends to terminate or materially reduce or change the pricing or other material terms of its business with Seller.

Section 4.20. Related Persons. No Service Provider, any member of his or her family or any of their respective Affiliates (each a Related Person ) (i) owes any amount to Seller nor does Seller owe any amount to, nor has Seller committed to make any loan or extend or guarantee credit to or for the benefit of, any Related Person, (ii) is involved in any business

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arrangement or other relationship (other than customary employment relationships) with Seller (whether written or oral), (iii) owns any property or right, tangible or intangible, that is used by Seller in connection with the Business (other than rights arising out of employment arrangements), (iv) to the knowledge of Seller, has any claim or cause of action against any Seller related to the Business or (v) is obligated to make any payment to Seller or any Related Person in connection with the transactions contemplated by this Agreement.

Section 4.21. **Brokers or Finders.** Other than D.A. Davidson & Co. (the Seller Financial Advisor ), no Person has acted, directly or indirectly, as a broker, finder or financial advisor for Seller or any of its Affiliates in connection with the transactions contemplated by this Agreement and no Person is or will be entitled to any fee or commission or like payment in respect thereof. Seller acknowledges that any amounts payable to the Seller Financial Advisor are Excluded Liabilities and all such amounts due in connection with the transactions contemplated herein shall be paid by the Seller to the Seller Financial Advisor at the Closing.

**ARTICLE V  
REPRESENTATIONS AND WARRANTIES OF PURCHASER**

Purchaser hereby represents and warrants to Seller, as of the date of this Agreement and as of the Closing Date, as follows:

Section 5.01. **Organization, Standing and Power.** Purchaser is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware. Purchaser has all requisite corporate power and authority to own, lease and operate its respective properties and to carry on its respective business as now being conducted.

Section 5.02. **Authority; Execution and Delivery; and Enforceability.** Purchaser has full power and authority to execute this Agreement and the Ancillary Agreements to which it is a party and to consummate the Acquisition and the other transactions contemplated hereby and thereby. The execution and delivery by Purchaser of this Agreement and the Ancillary Agreements to which it is a party and the consummation by Purchaser of the Acquisition and the other transactions contemplated hereby and thereby have been duly authorized by all necessary corporate action. Purchaser has duly executed and delivered this Agreement and this Agreement will after the Closing constitute, its legal, valid and binding obligation, enforceable against it in accordance with its terms.

Section 5.03. **No Conflicts.** The execution and delivery by Purchaser of this Agreement and the Ancillary Agreements to which it is a party does not, and the consummation of the Sale and the other transactions contemplated hereby and thereby, and compliance by Purchaser with the terms hereof and thereof will not, (a) require any consent, approval or other authorization of, or filing with or notification to, any Governmental Entity, or (b) conflict with, or result in violation of or default (with or without notice or lapse of time, or both) under, or give rise to a right of termination or cancellation under any provision of (i) the certificate of incorporation and by-laws of Purchaser;

(ii) any Contract to which Purchaser is bound or (iii) any Judgment or Law applicable to Purchaser or the properties or assets of Purchaser.

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Section 5.04. Brokers or Finders. No Person has acted, directly or indirectly, as a broker, finder or financial advisor for Purchaser in connection with the transactions contemplated by this Agreement and no Person is entitled to any fee or commission or like payment in respect thereof.

**ARTICLE VI  
COVENANTS**

Section 6.01. Covenants of Seller Relating to Conduct of Business.

(a) Except for matters set forth in Schedule 6.01(a) of the Seller Disclosure Schedule or otherwise expressly permitted by the terms of this Agreement, from the date of this Agreement to the Closing, Seller shall conduct the Business in the usual, regular or ordinary course in substantially the same manner as previously conducted and, to the extent consistent therewith, use commercially reasonable efforts to keep intact the Business, keep available the services of the current Postano Employees and preserve the relationships of the Business with customers, suppliers, licensors, licensees, distributors and others with whom the Seller deals in connection with the Business. Prior to the Closing, Seller shall not take any action that would, or that could reasonably be expected to, result in any of the conditions to the purchase and sale of the Acquired Assets set forth in Article VII not being satisfied. In addition (and without limiting the generality of the foregoing), except as otherwise expressly permitted or required by the terms of this Agreement, Seller shall not do any of the following in connection with the Business without the prior written consent of Purchaser:

(i) grant to any Postano Employee any increase in compensation or benefits, except in the ordinary course of business and consistent with past practice or as may be required under existing agreements and except for any increases for which Seller shall be solely obligated;

(ii) permit, allow or suffer any Acquired Asset to become subjected to any Lien;

(iii) sell, transfer or lease any of the Acquired Assets, except in the ordinary course of business;

(iv) sell, lease, license or otherwise dispose of any of the Acquired Assets, except inventory sold in the ordinary course of business and consistent with past practice;

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(v) change or modify its credit, collection or payment policies, procedures or practices with respect to the Business, including by accelerating collections of receivables (whether or not past due), failing to pay payables or other liabilities related to the Business when due, or delaying payment of any trade payable for a period longer than the commercial payment terms applicable to such payable;

(vi) enter into, amend or modify any Contract except in the ordinary course of business; or

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(vii) authorize any of, or commit or agree to take, whether in writing or otherwise, to do any of, the foregoing actions.

Section 6.02. Other Bids.

(a) The Seller shall not, and shall cause its Subsidiaries not to, and shall not authorize or permit its and its Subsidiaries Affiliates to, directly or indirectly, solicit, initiate or knowingly take any action to facilitate or encourage the submission of any Takeover Proposal or the making of any proposal that could reasonably be expected to lead to any Takeover Proposal, or, subject to Section 6.02(b), (i) conduct or engage in any discussions or negotiations with, disclose any non-public information relating to the Business or Acquired Assets to, afford access to the business, properties, assets, books or records of the Business to, or knowingly assist, participate in, facilitate or encourage any effort by, any third party that is seeking to make, or has made, any Takeover Proposal, (ii) (A) amend or grant any waiver or release under any standstill or similar agreement with respect to any class of equity securities of the Seller or any of its Subsidiaries or (B) approve any transaction under, or any third party becoming an interested stockholder under, Section 203 of the Delaware General Corporation Law, or (iii) enter into any agreement in principle, letter of intent, term sheet, acquisition agreement, merger agreement, option agreement, joint venture agreement, partnership agreement or other Contract relating to any Takeover Proposal (each, a Seller Acquisition Agreement ). Subject to Section 6.02(b), neither the Seller Board nor any committee thereof shall fail to make, withdraw, amend, modify or materially qualify, in a manner adverse to Purchaser, the Seller Board Recommendation, or recommend a Takeover Proposal, fail to recommend against acceptance of any tender offer or exchange offer for the shares of Seller's Common Stock within fifteen (15) Business Days after the commencement of such offer, or make any public statement inconsistent with the Seller Board Recommendation, or resolve or agree to take any of the foregoing actions (any of the foregoing, a Seller Adverse Recommendation Change ). The Seller shall, and shall cause its Subsidiaries to cease immediately and cause to be terminated, and shall not authorize or knowingly permit any of its or their Affiliates to continue, any and all existing activities, discussions or negotiations, if any, with any third party conducted prior to the date hereof with respect to any Takeover Proposal and shall use its reasonable best efforts to cause any such third party (or its agents or advisors) in possession of non-public information pertaining to the Business or the Acquired Assets that was furnished by or on behalf of the Seller and its Subsidiaries to return or destroy (and confirm destruction of) all such information.

(b) Notwithstanding Section 6.02(a), prior to the Earliest Closing Date (as defined below), the Board of Directors of Seller (the Seller Board ), directly or indirectly may, subject to Section 6.02(c)(i) participate in negotiations or discussions with any third party that has made (and not withdrawn) a bona fide, unsolicited Takeover Proposal in writing that the Seller Board believes in good faith, after consultation with outside legal counsel and the Seller Financial Advisor, constitutes or would reasonably be expected to result in a Superior Proposal, (ii) thereafter furnish to such third party non-public information relating to the Seller, the Business and/or the Acquired Assets pursuant to an executed confidentiality agreement that constitutes an Acceptable Confidentiality Agreement (a copy of which confidentiality agreement shall be promptly (in all events within twenty-four (24) hours) provided for informational purposes only to Seller), (iii) following receipt of and on account of a Superior Proposal, make a Seller Adverse Recommendation Change, and/or (iv) take any action that any court of competent



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jurisdiction orders the Seller to take (which order remains unstayed), but in each case referred to in the foregoing clauses (i) through (iv), only if the Seller Board determines in good faith, after consultation with outside legal counsel, that the failure to take such action would reasonably be expected to cause the Seller Board to be in breach of its fiduciary duties under Applicable Law. Nothing contained herein shall prevent the Seller Board from disclosing to the Seller's stockholders a position contemplated by Rule 14d-9 and Rule 14e-2(a) promulgated under the Exchange Act with regard to a Takeover Proposal, if the Seller determines, after consultation with outside legal counsel, that failure to disclose such position would constitute a violation of Applicable Law.

(c) The Seller Board shall not take any of the actions referred to in clauses (i) through (iv) of Section 6.02(b) unless the Seller shall have delivered to Purchaser a prior written notice advising Purchaser that it intends to take such action. The Seller shall notify Purchaser promptly (but in no event later than twenty-four (24) hours) after Seller (or any of its or its Subsidiaries' Affiliates) receive a Takeover Proposal, any inquiry that would reasonably be expected to lead to a Takeover Proposal, any request for non-public information relating to the Business or the Acquired Assets or for access to the business, properties, assets, books or records of the Seller or any of its Subsidiaries by any third party. In such notice, the Seller shall identify the third party making, and details of the material terms and conditions of, any such Takeover Proposal, indication or request. The Seller shall keep Purchaser fully informed, on a current basis, of the status and material terms of any such Takeover Proposal, indication or request, including any material amendments or proposed amendments as to price and other material terms thereof. The Seller shall provide Purchaser with at least forty-eight (48) hours prior notice of any meeting of the Seller Board (or such lesser notice as is provided to the members of the Seller Board) at which the Seller Board is reasonably expected to consider any Takeover Proposal. The Seller shall promptly provide Purchaser with a list of any non-public information concerning the Business or Acquired Assets, present or future performance, financial condition or results of operations, provided to any third party, and, to the extent such information has not been previously provided to Purchaser, copies of such information.

(d) Except as set forth in this Section 6.02(d), the Seller Board shall not make any Seller Adverse Recommendation Change or enter into (or permit any Subsidiary to enter into) a Seller Acquisition Agreement. Notwithstanding the foregoing, at any time prior to the Earliest Closing Date, the Seller Board may make a Seller Adverse Recommendation Change or enter into (or permit any Subsidiary to enter into) a Seller Acquisition Agreement, if: (i) the Seller promptly notifies Purchaser, in writing, at least five (5) Business Days (the Notice Period) before making a Seller Adverse Recommendation Change or entering into (or causing a Subsidiary to enter into) a Seller Acquisition Agreement, of its intention to take such action with respect to a Superior Proposal, which notice shall state expressly that the Seller has received a Takeover Proposal that the Seller Board intends to declare a Superior Proposal and that the Seller Board intends to make a Seller Adverse Recommendation Change and/or the Seller intends to enter into a Seller Acquisition Agreement; (ii) the Seller attaches to such notice the most current version of the proposed agreement (which version shall be updated on a prompt basis) and the identity of the third party making such Superior Proposal; (iii) the Seller shall, and shall cause its Subsidiaries to, and shall use its reasonable best efforts to cause its and its Subsidiaries' Affiliates to, during the Notice Period, negotiate with Purchaser in good faith to make such adjustments in the terms and conditions of this Agreement so that such Takeover Proposal ceases to constitute a



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Superior Proposal, if Purchaser, in its sole discretion, proposes to make such adjustments (it being agreed that in the event that, after commencement of the Notice Period, there is any material revision to the terms of a Superior Proposal, including, any revision in price, the Notice Period shall be extended, if applicable, to ensure that at least three (3) Business Days remains in the Notice Period subsequent to the time the Seller notifies Purchaser of any such material revision (it being understood that there may be multiple extensions)); and (iv) the Seller Board determines in good faith, after consulting with outside legal counsel and the Seller Financial Advisor, that such Takeover Proposal continues to constitute a Superior Proposal after taking into account any adjustments made by Purchaser during the Notice Period in the terms and conditions of this Agreement.

Section 6.03. Access to Information. From the date hereof until the earlier of the Closing or the termination of this Agreement pursuant to Section 8.01, for purposes of completing the Acquisition, Seller shall afford to Purchaser and its accountants, counsel and other representatives ( Representatives ) reasonable access, upon reasonable prior notice, during normal business hours, to all the properties, books, contracts, commitments, Tax Returns and records of the Business necessary to effectuate the Acquisition. During such period Seller shall furnish promptly to Purchaser any information concerning the Business as Purchaser may reasonably request; provided that Seller shall not be obligated under this Section 6.03 with respect to information that Seller determines in good faith is the confidential information of Seller that relates to other business lines of Seller or that is attorney-client privileged and should not, therefore, be disclosed, provided further that with respect to information that is determined to be confidential or attorney-client privileged as set forth above, Seller shall use commercially reasonable efforts to develop an alternative means by which to provide Purchaser with such information in a manner that does not jeopardize the applicable confidentiality or privilege. No information provided to or obtained by Purchaser pursuant to this Section 6.03 shall limit or otherwise affect the remedies available hereunder to Purchaser (including Purchaser's right to seek indemnification pursuant to Article IX), or the representations or warranties of, or the conditions to the obligations of, the parties hereto.

Section 6.04. Confidentiality.

(a) Each of Purchaser and Seller acknowledges that the information that has been and is being provided to each of them in connection with the Acquisition and the consummation of the other transactions contemplated hereby is subject to the terms of a Non-Disclosure Agreement between Purchaser and Seller, dated June 5, 2015 (the Confidentiality Agreement ); provided, however, that for the avoidance of doubt, following the Closing, Purchaser and its Affiliates, agents and representatives shall have no obligations under the Confidentiality Agreement with respect to any information that is included in the Acquired Assets.

(b) If the Closing occurs, Seller shall keep confidential, and cause its Affiliates and instruct its and their officers, directors, employees and advisors to keep confidential, all information relating to the Business except as required by Applicable Law or administrative process and except for information that is available to the public on the Closing Date, or thereafter becomes available to the public other than as a result of a breach of this Section 6.04.



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Section 6.05. Commercially Reasonable Efforts. On the terms and subject to the conditions of this Agreement, each party shall use commercially reasonable efforts to cause the Closing to occur, including taking all reasonable actions necessary to comply promptly with all legal requirements that may be imposed on it or any of its Affiliates with respect to the Closing. In addition to and not in lieu of the foregoing, (a) Seller shall use commercially reasonable efforts prior to the Closing in order to obtain the Required Consents and (b) to the extent the any Required Consent has not been obtained prior to the Closing, Seller shall use commercially reasonable efforts to obtain such consent promptly following the Closing.

Section 6.06. Employee Matters.

(a) Purchaser (the Employer ) shall make at-will employment offers, effective as of the Employment Commencement Date, to such employees of the Business as it determines in its sole discretion and who (i) are not on authorized leave of absence, sick leave, short or long term disability leave, military leave or layoff with recall rights (Active Employees ); or (ii) are on authorized leave of absence, sick leave, short or long term disability leave, military leave or layoff with recall rights and who return to active employment immediately following such absence and within six months of the Closing Date or such later date as required under Applicable Law (Inactive Employees and, collectively with the Active Employees, the Offer Employees ) on terms and conditions acceptable to Employer, in its sole discretion. For the purposes hereof, the Employment Commencement Date shall mean (i) as to Active Employees, the Closing Date, and (ii) as to Inactive Employees, the date on which the Inactive Employee commences active employment with Employer. Those Offer Employees who accept Employer's offer of employment are collectively referred to herein as the Transferred Employees. Nothing herein shall confer upon any Transferred Employee any right to be employed by Purchaser or any of its Affiliates for any specified period of time following the Employment Commencement Date or in any way limit the right of Purchaser or any of its Affiliates to terminate the employment of any Transferred Employee at any time following the Employment Commencement Date for any reason (or no reason).

(b) On or promptly following the Closing, Seller shall cause to be paid to each Offer Employee, all paid time off actually accrued by Seller or required to be accrued by Seller pursuant to GAAP, as of the Closing Date.

(c) No Person (other than the parties to this Agreement), including any current or former employee of Seller or Employer, shall be a beneficiary with respect to this Section 6.06 or shall be entitled to assert any claim based on any provisions of this Section 6.06 against any party to this Agreement or their Affiliates. Nothing in this Section 6.06 shall be deemed an amendment of any employee benefit plan of Purchaser or its Affiliates.

(d) To the extent any payments made with respect to, or which arise as a result of, this Agreement, could be characterized as an excess parachute payment within the meaning of Section 280G(b)(1) of the Code, the Seller shall: (i) no later than three (3) Business Days prior to the Closing Date, disclose its calculations with respect to the

excess parachute payments to Purchaser, along with the assumptions used to make the calculations and the data necessary for Purchaser to confirm the accuracy of the calculations, (ii) to the extent not already obtained, promptly seek the consent of the recipient of any such payment that would otherwise

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be due and owing that such payment shall not be due and owing, paid or retained, absent 280G Stockholder Approval (as defined below) and (iii) promptly (and in any case prior to the Closing Date) cause all such payments to be adequately disclosed to, and obtain the vote (whether of approval or disapproval) and use commercially reasonable efforts to have all such payments approved by a vote of, the stockholders meeting the requirements of the Code and the applicable treasury regulations ( 280G Stockholder Approval ), in a manner reasonably satisfactory to Purchaser. Purchaser shall have the right to review and approve any disclosure required by clause (iii) before such disclosure is made. The Seller shall not pay any amount that could be characterized as an excess parachute payment to the extent that it is unable to obtain the stockholder approval described in clause (iii).

Section 6.07. Expenses: Transfer Taxes.

(a) Whether or not the Closing takes place, and except as set forth in Article IX, all costs and expenses incurred in connection with this Agreement and the Ancillary Agreements and the transactions contemplated hereby and thereby shall be paid by the party incurring such expense.

(b) All Transfer Taxes applicable to the conveyance and transfer from Seller to Purchaser of the Acquired Assets and any other transfer or documentary Taxes or any filing or recording fees applicable to such conveyance and transfer shall be shared and paid equally by Seller and Purchaser. Each party shall use commercially reasonable efforts to avail itself of any available exemptions from any such Taxes or fees, and to cooperate with the other parties in providing any information and documentation that may be necessary to obtain such exemptions. The term Transfer Taxes means any transfer, documentary, sales, use, registration, stamp, value added and other similar Taxes (including all applicable real estate transfer Taxes and real property transfer gains Taxes) and related amounts (including any penalties, interest and additions to Tax) incurred in connection with this Agreement, the Ancillary Agreements, the Acquisition and the other transactions contemplated hereby and thereby.

Section 6.08. Collection of Receivables. From and after the Closing, Purchaser shall have the right and authority to collect for its own account all Receivables that are included in the Acquired Assets and to endorse with the name of Seller, as applicable, any checks or drafts received with respect to any such Receivables. Seller shall promptly (and, in any event, within ten (10) Business Days) deliver to Purchaser any cash or other property received directly or indirectly by it with respect to such Receivables, including any amounts payable as interest.

Section 6.09. Publicity. Neither Seller nor Purchaser shall issue any press release or public announcement concerning this Agreement or the transactions contemplated hereby without obtaining the prior written approval of the other party hereto, which approval will not be unreasonably withheld or delayed, unless, in the sole judgment of Purchaser or Seller, as applicable, disclosure is otherwise required by Applicable Law or by the applicable rules of any stock exchange on which Purchaser or Seller lists securities, provided that, to the extent required by Applicable Law, the party intending to make such release shall use its commercially reasonable efforts consistent with such Applicable Law to consult with the other party with respect to the timing and content thereof; and provided, further, that Seller shall not cause the Seller Disclosure Schedule or any other Schedule to this agreement to be disclosed publicly



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unless Purchaser shall have reasonably determined in consultation with counsel that such disclosure is required by Applicable Law, and in such case Seller shall use commercially reasonable efforts to obtain confidential treatment of such portion of the disclosed Schedules or Seller Disclosure Schedule as shall be reasonably requested by Purchaser. Notwithstanding anything to the contrary, any reference to Purchaser by Seller in connection with this Agreement, the Acquisition or the Seller Stockholder Approval shall be subject to Purchaser's prior review and written approval (not to be unreasonably withheld).

Section 6.10. Agreement Not to Compete and Not to Solicit.

(a) Seller understands that Purchaser shall be entitled to protect and preserve the going concern value of the Business to the extent permitted by Applicable Law and that Purchaser would not have entered into this Agreement absent the provisions of this Section 6.10.

(b) For a period of two (2) years after the Closing Date (the Restricted Period), Seller shall not, and shall cause each of its Affiliates not to, directly or indirectly (i) solicit or recruit for employment, or employ any Transferred Employee or any other employee of Purchaser, (ii) cause, induce or encourage any current or prospective client, customer, supplier, or licensor of the Business (including any existing or former customer of the Business and any Person that becomes a client, customer supplier or licensor of the Business after the Closing) or any other Person who has a material business relationship with the Business, to terminate or modify any such actual or prospective relationship, or (iii) solicit or encourage any Transferred Employee or any other employee of Purchaser to leave the employ of the Employer, except (A) in the case of this clause (iii) for general solicitations of employment (including solicitations through employee search firms or similar agents) not specifically directed towards Transferred Employees and (B) in the case of clause (i) and this clause (iii), solicitations of such employees whose employment was terminated by Employer more than twelve (12) months prior to such solicitation.

(c) Seller agrees that, except as provided below, during the Restricted Period, Seller shall not, directly or indirectly, engage in activities or businesses, or establish any new businesses that are in competition with the operation of the Business as presently conducted (a Competing Business), including, but not limited to, soliciting any customer or prospective customer of the Business if it could reasonably be expected to have an adverse effect on the Business or Purchaser, or assisting any other person to do the same.

(d) If any provision contained in this Section 6.10 shall for any reason be held invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provisions of this Section 6.10, but this Section 6.10 shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein. It is the intention of the parties that if any of the restrictions or covenants contained herein is held to cover a geographic area or to be for a length of time which is not permitted by Applicable Law, or in any way construed to be too broad or to any extent invalid, such provision shall not be construed to be null, void and of no effect, but to the extent such provision would be valid or enforceable under Applicable Law, a court of competent jurisdiction shall construe and interpret or reform this Section 6.10 to provide for a covenant having the maximum

enforceable geographic area, time period and other provisions (not greater than those contained herein) as

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shall be valid and enforceable under such Applicable Law. Seller agrees that Purchaser shall be entitled to injunctive relief requiring specific performance by Seller of this Section 6.10, and Seller consents to the entry thereof.

Section 6.11. Bulk Transfer Laws. Each party hereto hereby waives compliance by the other party with the provisions of any so-called bulk transfer law of any jurisdiction in connection with the sale of the Acquired Assets to Purchaser.

Section 6.12. Names Following Closing. Promptly following the Closing, Seller shall cease using Postano or any name that, in the reasonable judgment of Purchaser, is similar to any such names, and Seller shall not thereafter use those names or other names acquired by Purchaser hereunder or names confusingly similar thereto. Seller shall update its Website so that for 12 months following the Closing or until such time as the Seller files a certificate of dissolution with the Secretary of State of the State of Delaware, whichever is earlier, the link as of December 18, 2015 directing users to <http://www.postano.com/> (the Postano Link ), will redirect users to a website selected by Sprinkl from time to time. Seller shall not modify the placement or formatting of the Postano Link during the foregoing period to make it less pronounced that it was on December 18, 2015.

Section 6.13. Further Assurances. From time to time, until one year following the Closing, as and when requested by any party, each party shall execute and deliver, or cause to be executed and delivered, all such documents and instruments and shall take, or cause to be taken, all such further or other actions, at such other party's cost and expense and as such other party may reasonably deem necessary or desirable to consummate the transactions contemplated by this Agreement, including, in the case of Seller, executing and delivering to Purchaser such assignments, deeds, bills of sale, consents and other instruments as Purchaser or its counsel may reasonably request as necessary or desirable for such purpose.

Section 6.14. Preservation of Records; Notice of Claims. In order to facilitate the resolution of any claims made against or incurred by Seller prior to the Closing, or for any other reasonable purpose, for a period of seven (7) years after the Closing, Purchaser shall afford the Seller reasonable access (including the right to make, at Seller's expense, photocopies), during normal business hours, to the Records relating to periods prior to the Closing to the extent not included in the Acquired Assets.

(a) In order to facilitate the resolution of any claims made by or against or incurred by Purchaser after the Closing, or for any other reasonable purpose, for a period of seven (7) years following the Closing or until such time as Seller files a certificate of dissolution with the Secretary of State of Delaware, Seller shall afford the Purchaser reasonable access (including the right to make, at Purchaser's expense, photocopies), during normal business hours, to the books and records related to the Business.

(b) Neither Purchaser nor Seller shall be obligated to provide the other party with access to any books or records (including personnel files) pursuant to this Section 6.14 where such access would violate any Applicable Law.

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(c) In the event Seller or Purchaser wishes to destroy such records after that time, such party shall first give ninety (90) days prior written notice to the other and such other party shall have the right at its option and expense, upon prior written notice given to such party within that ninety (90) day period, to take possession of the records within one hundred and eighty (180) days after the date of such notice.

Section 6.15. Seller Stockholder Approval.

(a) On or promptly following date hereof (but in any event within twenty four hours), Seller shall have obtained irrevocable written consents approving the Acquisition from the holders of at least a majority of the shares of Seller's capital stock entitled to vote thereon (the Stockholder Written Consent ). The Stockholder Written Consent shall, by its terms, provide that the Closing shall occur no earlier than the date (the Earliest Closing Date ) that is twenty (20) calendar days after the transmission by Seller of a definitive written information statement related to the Acquisition and the Stockholder Written Consent pursuant to Rule 14c-2 under the Exchange Act (the Information Statement ).

(b) As soon as reasonably practicable following the date of this Agreement, the Seller shall file a preliminary Information Statement with the Securities and Exchange Commission (the Commission ). Seller shall as soon as reasonably practicable (i) notify Purchaser of the receipt of any comments from the Commission with respect to the preliminary Information Statement, or any other filing made or proposed to be made in connection with this Agreement or the Acquisition and (ii) provide Purchaser with copies of all written correspondence between Seller and its Affiliates, on the one hand, and the Commission, on the other hand, with respect to the Information Statement. Except to the extent that the Seller Board shall have effected a Seller Adverse Recommendation Change as permitted by Section 6.02 hereof, Seller shall file a definitive Information Statement with the Commission as soon as reasonably practicable following (1) the day that is ten (10) days after the filing of the preliminary Information Statement or (2) the resolution of any comments from the Commission with respect to the preliminary Information Statement, whichever is later.

Section 6.16. Supplement to Seller Disclosure Schedule. From time to time prior to the Closing, Seller shall have the right (but not the obligation) to supplement or amend the Seller Disclosure Schedule with respect to any matter hereafter arising or of which it becomes aware after the date hereof (each a Schedule Supplement ). Any disclosure in any such Schedule Supplement shall not be deemed to have cured any inaccuracy in or breach of any representation or warranty contained in this Agreement, including for purposes of the indemnification or termination rights contained in this Agreement or of determining whether or not the conditions set forth in Section 7.02(a) have been satisfied; provided, however, that if Purchaser has the right to, but does not elect to, terminate this Agreement within seven (7) calendar days of its receipt of such Schedule Supplement (or the expiration of any applicable cure period under Section 8.01(a)(iii), whichever is later), then Purchaser shall be deemed to have irrevocably waived any right to terminate this Agreement with respect to such matter (for the avoidance of doubt, Purchaser's right to seek indemnification with respect to such matter shall not be limited or impaired by this Section 6.16).



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Section 6.17. Notice of Dissolution. In the event Seller intends to cause a certificate of dissolution to be filed with the Secretary of State of the State of Delaware within twelve (12) months of the Closing, Seller shall provide Purchaser with at least three (3) Business Day s prior written notice before such filing is made.

**ARTICLE VII  
CONDITIONS PRECEDENT**

Section 7.01. Conditions to Each Party s Obligation. The obligation of Purchaser to purchase the Acquired Assets and assume the Assumed Liabilities and the obligation of Seller to sell the Acquired Assets to Purchaser is subject to the satisfaction or waiver at or prior to Closing of the following conditions:

(a) Absence of Restraints. There shall not be in effect any Applicable Law or Judgment enacted, entered, promulgated, enforced or issued by any Governmental Entity or other legal restraint or prohibition preventing the consummation of the Acquisition.

(b) Seller Stockholder Consent. Seller s stockholders shall have approved the terms of the Acquisition and this Agreement in accordance with all Applicable Laws, Seller shall have filed the definitive Information Statement and all applicable waiting periods shall have expired.

Section 7.02. Conditions to Obligation of Purchaser. The obligation of Purchaser to purchase and pay for the Acquired Assets and assume the Assumed Liabilities is additionally subject to the satisfaction (or waiver by Purchaser) on or prior to the Closing Date of the following conditions:

(a) Representations and Warranties. The representations and warranties of Seller made in this Agreement shall be true and correct as of the Closing, without regard to any materiality or material adverse effect qualifiers, as if made as of the Closing (other than those representations and warranties made as of a specific date, which will be true and correct as of such date), except where the failure of such representations and warranties to be true and correct taken together would not have a material adverse effect on the Business.

(b) Performance of Obligations of Seller. Seller shall have performed or complied in all material respects with all obligations and covenants required by this Agreement to be performed or complied with by it by the time of the Closing, and Purchaser shall have received a certificate signed by an authorized officer of Seller to such effect.

(c) Absence of Proceedings. There shall not be pending or threatened any Proceeding (i) challenging or seeking to restrain or prohibit the Acquisition or any other transaction contemplated by this Agreement or the Ancillary Agreements, (ii) seeking to prohibit or limit the ownership or operation by Purchaser or any of its Subsidiaries of any material portion of the Business, or to compel Purchaser, or any of its Subsidiaries to dispose of or hold separate any material portion of the Business, the Seller or any of their respective Subsidiaries, in each case as a result of the Acquisition or any of the other transactions contemplated by this Agreement, (iii) seeking to impose limitations on ability of Purchaser to acquire or hold, or

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exercise full rights of ownership of, the Acquired Assets or (iv) seeking to prohibit Purchaser or any of its Subsidiaries from effectively controlling in any material respect the Business.

(d) Consents/Approvals. Purchaser shall have received or waived the receipt of the Required Consents to assign the contracts set forth on Schedule 7.02(d) to Purchaser.

(e) Employee Matters.

(i) Justin Garrity, Ryan Parr and Dan Blaisdall shall have (A) signed an offer letter in the form provided by Employer and (B) executed Employer's customary Non-Solicitation and Confidentiality Agreement.

(ii) Seller shall have provided Sprinklr with evidence reasonably acceptable to Sprinklr that Seller has authorized a special payroll to cause the amounts contemplated by Section 6.06(b) to be paid to the Offer Employees.

(f) Seller Financial Advisor Acknowledgment. Purchaser shall have received from the Seller Financial Advisor a letter containing an unconditional acknowledgement that (i) any amount to which the Seller Financial Advisor becomes entitled to in connection with (x) the consummation of the transactions contemplated by this Agreement or (y) any indemnity obligation of the Seller, is an Excluded Liability, (ii) that under no circumstances (including the failure of Seller to pay the Seller Financial Advisor), will the Seller Financial Advisor seek such amount (or any portion thereof) from the Purchaser or its Affiliates and (iii) that such letter is a material inducement to Purchaser to consummate the transactions contemplated by this Agreement and absent such letter Purchaser would not be willing to consummate the transactions contemplated by this Agreement.

(g) Landlord Consent and Estoppel Certificate. Purchaser shall have received from each of Allied Works Architecture, Inc. and Morrison Street Partners LLC, (i) consent to the assignment to Purchaser of the Sublease for 1532 SW Morrison Street, Suite 200, Portland, Oregon, dated March 11, 2011, as amended (the Sublease) as well as the license of space to Seller contemplated pursuant to the Desk License Agreement and (ii) a landlord estoppel certificate in form reasonably satisfactory to Purchaser stating that there are no amounts past due and.

(h) Furniture Lease. Purchaser shall have received from Astoria Capital Management (Astoria), a lease agreement allowing Purchaser to lease from Astoria the office furniture referenced in Section 4.11 of the of the Seller Disclosure Schedule for \$1,000 per month until Purchaser terminates such lease (but in no event longer than thirty-six (36) months), on terms (other than rent and term) substantially similar to those by which Seller currently leases such furniture from Astoria.





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(i) Deliveries. Seller shall have delivered to Purchaser the documents and agreements contemplated by Section 3.02(a).

Section 7.03. Conditions to Obligation of Seller. The obligation of Seller to sell, assign, convey, and deliver the Acquired Assets is subject to the satisfaction (or waiver by Seller) on or prior to the Closing Date of the following conditions:

(a) Representations and Warranties. The representations and warranties of Purchaser made in this Agreement qualified as to materiality shall be true and correct in all respects, and those not so qualified shall be true and correct in all material respects, as of the date hereof and as of the time of the Closing as though made as of such time, except to the extent such representations and warranties expressly relate to an earlier date (in which case such representations and warranties qualified as to materiality shall be true and correct, and those not so qualified shall be true and correct in all material respects, on and as of such earlier date), and Seller shall have received a certificate signed by an authorized officer of Purchaser to such effect.

(b) Performance of Obligations of Purchaser. Purchaser shall have performed or complied in all material respects with all obligations and covenants required by this Agreement to be performed or complied with by Purchaser by the time of the Closing, and Seller shall have received a certificate signed by an authorized officer of Purchaser to such effect.

(c) Deliveries. Purchaser shall have delivered to Seller the documents and agreements contemplated by Section 3.02(b).

Section 7.04. Frustration of Closing Conditions. Neither Purchaser nor Seller may rely on the failure of any condition set forth in this Article VII to be satisfied if such failure was caused by such party's failure to act in good faith or to use commercially reasonable efforts to cause the Closing to occur, as required by Section 6.05.

**ARTICLE VIII  
TERMINATION**

Section 8.01. Termination.

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(a) Notwithstanding anything to the contrary in this Agreement, this Agreement may be terminated and the Acquisition and the other transactions contemplated by this Agreement abandoned at any time prior to the Closing:

(i) by mutual written consent of Seller and Purchaser;

(ii) by Seller, upon written notice to Purchaser, if (1) there has been a material breach by Purchaser of any of its representations, warranties or covenants under this Agreement such that any of the conditions set forth in Section 7.01 or Section 7.03 shall have become incapable of fulfillment and (2) Seller provides Purchaser with written notice thereof; provided, however, Seller may not terminate this Agreement under this Section 8.01(a)(ii) if such breach is of a type curable by Purchaser and such breach has been cured in all material respects

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within ten (10) Business Days of the date Purchaser receives written notice of such breach from Seller;

(iii) by Purchaser, upon written notice to Seller, if (1) there has been a material breach by Seller of any of its representations, warranties or covenants under this Agreement such that any of the conditions set forth in Section 7.01 or Section 7.02 shall have become incapable of fulfillment and (2) Purchaser provides Seller with written notice thereof; provided, however, Purchaser may not terminate this Agreement under this Section 8.01(a)(iii) if such breach is of a type curable by Seller and such breach has been cured in all material respects within ten (10) Business Days of the date Seller receives written notice of such breach from Purchaser;

(iv) by Seller, if prior to the Earliest Closing Date, the Seller Board authorizes the Seller, in full compliance with the terms of this Agreement, including Section 6.02(b) hereof, to enter into a Seller Acquisition Agreement (other than an Acceptable Confidentiality Agreement) in respect of a Superior Proposal; provided that the Seller shall have paid any amounts due pursuant to Section 8.03 hereof in accordance with the terms, and at the times, specified therein; and provided further that in the event of such termination, the Seller substantially concurrently enters into such Seller Acquisition Agreement; or

(v) by Purchaser, if (A) a Seller Adverse Recommendation Change shall have occurred, (B) Seller shall have entered into, or publicly announced its intention to enter into, a Seller Acquisition Agreement (other than an Acceptable Confidentiality Agreement), (C) the Seller shall have breached or failed to perform in any material respect any of the covenants and agreements set forth in Section 6.02, (D) the Seller Board fails to reaffirm (publicly, if so requested by Purchaser) the Seller Board Recommendation within fifteen (15) Business Days after the date any Takeover Proposal (or material modification thereto) is first publicly disclosed by the Seller or the Person making such Takeover Proposal, (E) a tender offer or exchange offer relating to Seller's Common Stock shall have been commenced by a Person unaffiliated with Purchaser and the Seller shall not have sent to its stockholders pursuant to Rule 14e-2 under the Securities Act, within fifteen (15) Business Days after such tender offer or exchange offer is first published, sent or given, a statement reaffirming the Seller Board Recommendation and recommending that stockholders reject such tender or exchange offer, or (F) the Seller or the Seller Board (or any committee thereof) shall publicly announce its intentions to do any of actions specified in this Section 8.01(a)(v); or

(vi) by Seller or Purchaser, if the Closing does not occur on or prior to May 31, 2016;

provided, however, that the right to terminate this Agreement pursuant to Section 8.01(a)(ii) through 8.01(a)(vi) shall not be available to any party whose breach of any representation, warranty, covenant or agreement set forth in this Agreement has been the cause of, or resulted in, the failure of the Acquisition to be consummated on or before such date.

(b) In the event of termination by Seller or Purchaser pursuant to this Section 8.01, written notice thereof shall forthwith be given to the other and the transactions

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contemplated by this Agreement shall be terminated, without further action by any party. If the transactions contemplated by this Agreement are terminated as provided herein:

(i) Purchaser shall return all documents and other material received from Seller relating to the transactions contemplated hereby, whether so obtained before or after the execution hereof, to Seller; and

(ii) all confidential information received by Purchaser with respect to the businesses of Seller shall be treated in accordance with the Confidentiality Agreement, which shall remain in full force and effect in accordance with its terms notwithstanding the termination of this Agreement.

Section 8.02. Effect of Termination. If this Agreement is terminated and the transactions contemplated hereby are abandoned as described in Section 8.01, this Agreement and the Term Sheet related hereto shall become null and void and of no further force and effect, except for the provisions of this Agreement contained in (i) Section 6.04 relating to the obligation of the parties hereto to keep confidential certain information and data obtained by them from the other party, (ii) Section 6.07 relating to certain expenses, (iii) Section 6.09 relating to publicity, (v) Section 8.01, (vi) this Section 8.02 and (vii) Section 8.03. Nothing in this Section 8.02 shall be deemed to release any party from any liability for any willful breach by such party of the terms and provisions of this Agreement or to impair the right of any party to compel specific performance by any other party of its obligations under this Agreement.

Section 8.03. Fees and Expenses Following Termination.

(a) If this Agreement is terminated by Seller pursuant to Section 8.01(a)(iv) then the Seller shall pay to Purchaser (by wire transfer of immediately available funds), within two (2) Business Days after such termination, a fee in an amount equal to the Termination Fee.

(b) If this Agreement is terminated by Purchaser pursuant to Section 8.01(a)(v) then the Seller shall pay to Purchaser (by wire transfer of immediately available funds), within two (2) Business Days after such termination, a fee in an amount equal to the Termination Fee.

(c) The Seller acknowledges and hereby agrees that the provisions of this Section 8.03 are an integral part of the transactions contemplated by this Agreement, and that, without such provisions, Purchaser would not have entered into this Agreement. If the Seller shall fail to pay in a timely manner the amounts due pursuant to this Section 8.03, and, in order to obtain such payment, Purchaser makes a claim against the Seller that results in a

judgment against the Seller, the Seller shall pay to Purchaser the reasonable costs and expenses of Purchaser (including its reasonable attorneys' fees and expenses) incurred or accrued in connection with such suit, together with interest on the amounts set forth in this Section 8.03 at the prime lending rate prevailing during such period as published in The Wall Street Journal. Any interest payable hereunder shall be calculated on a daily basis from the date such amounts were required to be paid until (but excluding) the date of actual payment, and on the basis of a 360-day year. The parties acknowledge and agree that in no event shall the Seller be obligated to pay the Termination Fee on more than one occasion.

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**ARTICLE IX  
INDEMNIFICATION**

Section 9.01. **Exclusive Remedy.** Each of Purchaser and Seller has voluntarily agreed to define its rights, liabilities and obligations respecting the subject matter of this Agreement exclusively in contract pursuant to the express terms and provisions of this Agreement, and each of Purchaser and Seller expressly disclaims that it is owed any duties not expressly set forth in this Agreement. From and after the Closing, the rights of parties to indemnification relating to this Agreement or the transactions contemplated hereby shall be strictly limited as set forth in this Article IX, and, except with respect to specific performance pursuant to Section 10.10, such indemnification rights shall be the sole and exclusive remedy of the parties hereto subsequent to the Closing Date with respect to any matter in any way relating to, arising out of or in connection with this Agreement or the transactions contemplated hereby, including any representation, warranty, covenant or agreement contained herein. Except with respect to specific performance pursuant to Section 10.10, Purchaser and Seller hereby waive and release, on behalf of all of the Indemnified Parties, any and all tort claims and causes of action that may be based upon, arise out of, or relate to this Agreement or the negotiation, execution or performance of this Agreement (including any tort claim or cause of action based upon, arising out of, or related to any representation or warranty made in or in connection with this Agreement or as an inducement to enter into this Agreement).

Section 9.02. **Indemnification by Seller.** From and after the Closing, Seller shall indemnify Purchaser and its Affiliates and each of their respective officers, directors, employees, stockholders, agents and representatives (each, a Purchaser Indemnified Party ) against, and hold them harmless from, any and all losses, liabilities, claims, obligations, deficiencies, demands, judgments, damages (including reasonably foreseeable incidental and consequential damages), interest, fines, penalties, claims, suits, actions, causes of action, assessments, awards, costs and expenses (including costs of investigation and defense and attorneys and other professionals fees), whether or not involving a Third Party Claim, but excluding any punitive, incidental, consequential, exemplary, or special damages (except to the extent payable in connection with any Third Party Claim) (individually, a Loss and, collectively, Losses ), as incurred (payable promptly upon written request), to the extent arising out of or resulting from:

- (a) any breach of any representation or warranty of Seller contained in this Agreement or in any certificate delivered in connection herewith;
  
- (b) any breach of any covenant of Seller contained in this Agreement;
  
- (c) any claim asserted by a third party that, if successful, would constitute a breach of a representation or warranty of Seller contained in this Agreement or in any certificate delivered in connection herewith; and

(d) any Excluded Liability.

Section 9.03. Limitations.

(a) Basket Amount; Cap. Except as otherwise provided in Section 9.03(b):

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(i) The aggregate liability of Seller for indemnification under Section 9.02(a) and 9.02(c) shall not exceed the Purchase Price; except, the aggregate liability of Seller for indemnification under Section 9.02(a) and 9.02(c) for Losses other than those related to breaches of Fundamental Representations shall not exceed \$240,000.

(ii) The indemnification obligations of Seller pursuant to Section 9.02(a) and 9.02(c) shall not apply to, and Seller shall have no liability for (1) any individual item where the Loss relating to such claim for indemnification (or series of claims arising from the same or substantially similar facts and circumstances) is less than \$5,000 (the De Minimis Amount ), and (2) unless and until the aggregate amount of all indemnifiable Losses suffered or incurred by such Indemnified Party and its Affiliates (disregarding the De Minimis Amount) exceeds \$30,000 (the Deductible ), in which event the Seller's indemnity obligation shall thereafter apply only to the amount of indemnifiable Losses under this Agreement in excess of the Deductible (subject to the continued application of the De Minimis Amount); provided however, that this Section 9.03(a)(ii) shall not apply to any Losses related to breaches of Fundamental Representations.

(b) Notwithstanding any provision herein to the contrary, the Deductible and the aggregate indemnity limitations contained in this Section 9.03 shall not apply to:

(i) any Losses arising out of fraudulent conduct, willful breach or intentional misrepresentation, or

(ii) any equitable remedy, including a preliminary or permanent injunction or specific performance.

(c) The amount of any Losses incurred by a Purchaser Indemnified Party that are subject to indemnification under this Article IX shall be calculated net of the amount of any insurance proceeds and any other amounts from third parties actually received by such Purchaser Indemnified Party in connection with such Losses, net of any expenses incurred in connection with such recovery, including increased premiums, reasonable legal costs and other reasonable costs and expenses (it being understood and agreed that no Purchaser Indemnified Party shall be obligated to seek any recoveries from any third parties in respect of any Losses subject to indemnification hereunder, including recoveries under insurance policies). In the event a Purchaser Indemnified Party receives any such amounts after an indemnification payment is made that relates thereto, the Purchaser Indemnified Party shall promptly repay to Seller such amount of the indemnification payment as would not have been paid had such amounts reduced the original indemnification payment (and any such repayment shall be a credit against any applicable indemnification threshold or limitation set forth in Section 9.03(a)) at such time or times as and to the extent that any such amounts are actually received.

(d) For purposes of calculating Losses, other than Losses related to breaches of Fundamental Representations, any materiality or material adverse effect qualifications in the representations and warranties contained in this Agreement or in any certificate delivered in connection herewith shall be disregarded; provided, however, that such qualifiers included in Section 4.04 shall not be disregarded.

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(e) Notwithstanding anything to the contrary herein, a Purchaser Indemnified party may not assert multiple claims under Section 9.02 in order to recover duplicative Losses in respect of a single set of facts or circumstances under more than one representation, warranty, covenant or obligation in this Agreement, regardless of whether such facts or circumstances would give rise to a breach of more than one representation, warranty, covenant or obligation in this Agreement.

Section 9.04. Purchaser Indemnification. From and after the Closing, Purchaser shall indemnify Seller and its Affiliates and each of their respective officers, directors, employees, stockholders, agents and representatives (each, a Seller Indemnified Party ) against, and hold them harmless from, any and all Losses, as incurred, to the extent arising out of or resulting from:

(a) any breach of any representation or warranty of Purchaser contained in this Agreement or in any certificate delivered in connection herewith;

(b) any breach of any covenant of Purchaser contained in this Agreement; and

(c) any Losses arising out of or relating to any Assumed Liability.

Section 9.05. Survival; Termination of Indemnification. The representations and warranties of each party contained herein shall survive the Closing and shall remain in full force and effect until the later of (i) the six (6) month anniversary of the Closing and (ii) the date that Seller files a certificate of dissolution with the Secretary of State of the State of Delaware, but in any event no longer than twelve (12) months following the Closing (the Survival Period ). None of the covenants or other agreements contained in this Agreement shall survive the Closing other than those which by their terms contemplate performance after the Closing Date, and each such surviving covenant and agreement shall survive the Closing for the period contemplated by its terms. The obligations to indemnify and hold harmless any party, pursuant to Section 9.02(a), 9.02(c) or 9.04(a) shall terminate after expiration of the Survival Period; provided, however, that for purposes of claims brought by Purchaser regarding fraud, willful misconduct or intentional misrepresentation, the representations and warranties of the Seller shall survive in perpetuity; provided, further, that such obligations to indemnify and hold harmless shall not terminate with respect to any item as to which the Person to be indemnified shall have, before the expiration of the Survival Period, previously made a claim by delivering a notice of such claim pursuant to Section 9.06 to the party to be providing the indemnification.

Section 9.06. Procedures.

(a) Third Party Claims.

(i) In the event that a Person entitled to indemnification hereunder (an Indemnitee ) receives notice of the assertion of any claim or the commencement of any claim or similar proceeding by a third party in respect of which indemnity may be sought under the provisions of this Article IX (a Third Party Claim ), the Indemnitee shall promptly notify the party that would be required by this Article IX to indemnify the Indemnitee in respect of such Third Party Claim (the Indemnitor ) in writing of such Third Party Claim (such notice, a Notice of Claim ). If the Indemnitee fails to timely notify the Indemnitor of the Notice of

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Claim and the Indemnitor's ability to protect its interest is materially impaired, the Indemnitor will not be obligated to indemnify the Indemnitee to the extent of such material impairment. The Notice of Claim shall describe the Third Party Claim in reasonable detail and shall indicate the estimated amount, if reasonably practicable, of the Loss that has been or may be sustained by the Indemnitee.

(ii) The Indemnitor will have fifteen (15) Business Days from the date on which the Indemnitor received the Notice of Claim (the Indemnitor Defense Review Period) to notify the Indemnitee that the Indemnitor desires to assume the defense or prosecution of such Third Party Claim and any litigation resulting therefrom with counsel reasonably acceptable to the Indemnitee and at the sole cost and expense of the Indemnitor (a Third Party Defense). If the Indemnitor assumes the Third Party Defense in accordance herewith, (A) the Indemnitee may retain separate co-counsel at its own expense; (B) the Indemnitor will not consent to the entry of any judgment or enter into any settlement with respect to the Third Party Claim without the prior written consent of the Indemnitee which shall not be unreasonably withheld; (C) the Indemnitor shall be conclusively deemed to have acknowledged that the Third Party Claim is within the scope of its indemnity obligation under this Agreement; (D) the Indemnitor shall conduct the Third Party Defense actively and diligently and provide copies of all correspondence and related documentation in connection with the Third Party Defense to the Indemnitee; and (E) the Indemnitee will provide reasonable cooperation in the Third Party Defense. Notwithstanding the foregoing, if counsel for the Indemnitee reasonably determines that there is a conflict between the positions of the Indemnitor and the Indemnitee in conducting the defense of such Action, then counsel for the Indemnitee shall be entitled, if the Indemnitee so elects, to conduct the defense to the extent reasonably determined by such counsel to protect the interests of the Indemnitee and the Indemnitor shall be liable for the reasonable legal fees and expenses of the Indemnitee; provided, that the Indemnitor shall not be required to pay for more than one such counsel (plus any appropriate local counsel) for all Indemnitees in connection with any Third Party Claim.

(iii) During the Indemnitor Defense Review Period and if the Indemnitor does not assume the Third Party Defense prior to the end of the Indemnitor Defense Review Period, the Indemnitee shall have the right to assume the Third Party Defense with counsel of its choice and the Indemnitor shall be liable for the reasonable legal fees and expenses of the Indemnitee (provided, that the Indemnitor shall not be required to pay for more than one such counsel (plus any appropriate local counsel) for all Indemnitees in connection with any Third Party Claim); provided, however, that the Indemnitor shall have the right, at its expense, to participate in such Third Party Defense but the Indemnitee shall control the investigation, defense and settlement thereof. The Indemnitee shall conduct the Third Party Defense actively and diligently, and the Indemnitor will provide reasonable cooperation in the Third Party Defense. The Indemnitee shall not consent to the entry of any judgment or enter into any settlement with respect to the Third Party Claim without the prior written consent of the Indemnitor which shall not be unreasonably withheld.

(iv) Notwithstanding the foregoing, the Indemnitor will not be entitled to assume the Third Party Defense if (a) the Third Party Claim seeks, in addition to or in lieu of monetary damages, any injunctive or other equitable relief, (b) the Third Party Claim relates to or arises in connection with any criminal action, indictment or allegation, (c) a legal conflict



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exists between the Indemnitee and the Indemnitor in respect of the Third Party Claim in accordance with Section 9.06(a)(ii); (d) the Third Party Claim involves a customer or supplier listed on Section 4.18(a) or 4.19(a) of the Seller Disclosure Schedule, (e) the maximum reasonably foreseeable damages or amount that may be claimed exceeds the limitations set forth in Section 9.02 or (f) the Third Party Claim would give rise to Losses which are more than the amount indemnifiable by the Indemnitor pursuant to this Article IX.

(b) Other Claims. In the event any Indemnitee should have a claim against any Indemnitor under Section 9.02 or 9.04 that does not involve a Third Party Claim being asserted against or sought to be collected from such Indemnitee, the Indemnitee shall deliver notice of such claim with reasonable promptness to the Indemnitor. If the Indemnitor does not notify the Indemnitee within fifteen (15) calendar days following its receipt of such notice that the Indemnitor disputes its liability to the Indemnitee under Section 9.02 or 9.04, such claim specified by the Indemnitee in such notice shall be conclusively deemed a liability of the Indemnitor under Section 9.02 or 9.04 and the Indemnitor shall pay the amount of such liability to the Indemnitee on demand or, in the case of any notice in which the amount of the claim (or any portion thereof) is estimated, on such later date when the amount of such claim (or such portion thereof) becomes finally determined. If the Indemnitor has timely disputed its liability with respect to such claim, as provided above, the Indemnitor and the Indemnitee shall proceed in good faith to negotiate a resolution of such dispute and, if not resolved through negotiations, such dispute shall be resolved by litigation in an appropriate court of competent jurisdiction.

(c) For all federal, state, local and foreign income tax purposes, all indemnification, purchase price adjustments and other payments made pursuant to this Agreement will be treated as an adjustment to the Purchase Price, unless otherwise required by Applicable Law.

Section 9.07. No Prejudice. The representations, warranties, covenants and obligations of Purchaser and Seller, and the rights and remedies that may be exercised by the Indemnitees based on such representations, warranties, covenants and obligations, will not be limited or affected by any investigation conducted by an Indemnitee with respect to, or any knowledge acquired (or capable of being acquired) by an Indemnitee at any time, whether before or after the execution and delivery of this Agreement or the Closing, with respect to the accuracy or inaccuracy of or compliance with or performance of any such representation, warranty, covenant or obligation, and no indemnified party shall be required to show that it relied on any (and each indemnified party shall be deemed to have relied on each) such representation, warranty, covenant or obligation of the Purchaser in order to be entitled to indemnification pursuant to this Article IX.

**ARTICLE X  
GENERAL PROVISIONS**

Section 10.01. Assignment. This Agreement and the rights and obligations hereunder shall not be assignable by Purchaser and Seller without the prior written consent of the other parties hereto.





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Section 10.02. No Third-Party Beneficiaries. Except as provided in Article IX, this Agreement is for the sole benefit of the parties hereto and their permitted assigns and nothing herein expressed or implied shall give or be construed to give to any Person, other than the parties hereto and such assigns, any legal or equitable rights hereunder.

Section 10.03. Notices. All notices or other communications required or permitted to be given hereunder shall be in writing and shall be delivered by hand or sent by facsimile or sent, postage prepaid, by registered, certified or express mail or reputable overnight courier service and shall be deemed given when received, as follows:

(i) if to Seller,

Tigerlogic Corporation

1532 SW Morrison St., Suite 200

Portland, Oregon 97205

Attn: Roger Rowe

with a copy (which shall not constitute notice) to:

Garvey Schubert Barer

1191 Second Avenue, Suite 1800

Seattle, Washington 98101

Attn: Peter B. Cancelmo, Esq.

(ii) if to Purchaser,

Sprinklr, Inc.

29 West 35th Street

New York, New York 10001

Attn: Chris Lynch, CFO

with a copy (which shall not constitute notice) to:

Lowenstein Sandler LLP  
1251 Avenue of the Americas  
New York, New York 10020  
Attn: Raymond P. Thek, Esq.

Section 10.04. Interpretation; Exhibits and Schedules: Certain Definitions. The headings contained in this Agreement, in any Exhibit, disclosure schedule or any other Schedule hereto and in the table of contents to this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement. All Exhibits and Schedules (including the disclosure schedules) annexed hereto or referred to herein are hereby incorporated in and made a part of this Agreement as if set forth in full herein. Any capitalized terms used in the disclosure schedules or any other Schedule or Exhibit but not otherwise defined therein, shall have the meaning as defined in this Agreement. When a reference is made in this Agreement to a Section, Exhibit or Schedule, such reference shall be to a Section of, or an Exhibit or Schedule to, this Agreement or the disclosure schedules unless otherwise indicated.

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(a) For all purposes hereof:

(i) Acceptable Confidentiality Agreement means a confidentiality and standstill agreement that contains confidentiality and standstill provisions that are no less favorable to the Seller than those contained in the Confidentiality Agreement.

(ii) Affiliate of any Person means another Person that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, such first Person.

(iii) Applicable Laws means all Laws applicable to the conduct of the Business as currently conducted or the ownership and use of the Acquired Assets as currently owned and used.

(iv) Benefit Arrangement means each (i) employee benefit plan, as defined in Section 3(3) of ERISA (whether or not subject to ERISA), (ii) employment agreement, offer letter or similar arrangement and (iii) bonus, commission, fee sharing, deferred compensation, incentive compensation, performance compensation, stock purchase, stock bonus, stock option, stock appreciation, restricted stock, restricted stock unit, phantom stock, savings, profit sharing, severance, retention, stay-bonus, change in control, termination pay, health or other medical, salary continuation, cafeteria, dependent care, vacation, sick leave, paid-time off, holiday pay, fringe benefit, reimbursement, life insurance, disability or other insurance, supplementary unemployment, pension retirement, supplementary retirement, welfare or other plan, program, policy or arrangement, whether written or unwritten, which any current or former employee, consultant or director of the Business participated or participates in or was or is covered under, or was or is otherwise a party, and with respect to which Seller or any of its ERISA Affiliates is or ever was a sponsor or participating employer, or had or has an obligation to make contributions, or was or is otherwise a party.

(v) Business Day means any day, other than Saturday, Sunday or any day on which banking institutions located in New York, New York are authorized or required by Law or other governmental action to close.

(vi) Contract means any oral or written contract, lease, license, indenture, agreement, commitment, course of conduct and/or any other legally binding arrangement, whether oral or written, related to the Business, to which Seller is a party.

(vii) ERISA means the Employee Retirement Income Security Act of 1974, as amended.

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(viii) ERISA Affiliate means, with respect to Seller, any other Person that, together with Seller, would be treated as a single employer under Section 414 of the Code

(ix) Exchange Act means the Securities Exchange Act of 1934, as amended.

(x) Fundamental Representations means the representations and warranties set forth in Section 4.01 (Organization; Standing; and Power); Section 4.02

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(Authority; Execution and Delivery; Enforceability); Section 4.03 (No Conflicts); Section 4.05 (Assets); Section 4.06 (Intellectual Property); Section 4.12 (Taxes); Section 5.01 (Organization; Standing; and Power); Section 5.02 (Authority; Execution and Delivery; Enforceability) and Section 5.03 (No Conflicts).

(xi) GAAP means generally accepted accounting principles in the United States, applied consistently with Seller's prior practices.

(xii) including means including, without limitation.

(xiii) knowledge of Seller means the knowledge, after reasonable inquiry, of Roger Rowe and Justin Garrity. The phrase reasonable inquiry, as used in this definition, shall include communication with other members of the management of the Business who report to any of the Persons identified in this definition in connection with the day-to-day operation of the Business in the ordinary course consistent with past reporting practices.

(xiv) Law means any statute, law, ordinance, regulation, rule, code, order, constitution, treaty, common law, judgment, decree, other requirement or rule of law of any Governmental Entity.

(xv) Material Adverse Effect means any material adverse change, event, circumstance or development with respect to, or material adverse effect on the business, assets, liabilities, capitalization, condition (financial or other) or results of operations of the Business, taken as a whole; provided, however, that in no event shall any of the following, alone or in combination, be deemed to constitute, or be taken into account when determining whether there has been or is reasonably expected to be, a Material Adverse Effect: any adverse change, event, development, or effect arising from or relating to (a) general business or economic conditions, (b) natural disasters, weather conditions, force majeure events, acts or threats of terrorism or war, armed hostilities or terrorist activities, threat or escalation of armed hostilities or terrorist activities, national or international political or social conditions, or any governmental or other response or reaction to any of the foregoing, including the engagement by the United States in hostilities, whether or not pursuant to the declaration of a national emergency or war, or the occurrence of any military or terrorist attack upon the United States, or any of its territories, possessions, or diplomatic or consular offices or upon any military installation, equipment or personnel of the United States, (c) decline or volatility in the financial, banking, or securities markets, (d) changes in United States generally accepted accounting principles, (e) the public announcement or pendency of this Agreement or any of the transactions contemplated thereby, and (f) the taking of any action contemplated by this Agreement and the other agreements contemplated hereby.

(xvi) Permitted Liens means (a) liens for Taxes not yet due and payable or being contested in good faith by appropriate procedures; (b) mechanics, carriers, workmen's, repairmen's or other like liens arising or incurred in the ordinary course of business; (c) liens arising under original purchase price conditional sales contracts and equipment

leases with third parties entered into in the ordinary course of business; and (d) other imperfections of title or Liens, if any, that have not had, and would not reasonably be expected to have, a Material Adverse Effect.

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(xvii) Person means any individual, firm, corporation, partnership, limited liability company, trust, joint venture, Governmental Entity or other entity.

(xviii) Postano Employee means the full-time and part-time employees employed by Seller or its Affiliates who are, or were (as applicable) engaged in the Business, it being understood that any employee of Seller whose employment responsibilities relate substantially to the overall operations of Seller shall not be deemed Postano Employees for any purposes hereunder.

(xix) Seller Board Recommendation means resolutions duly adopted by the Seller Board, not subsequently rescinded or modified in any way, (i) determining that this Agreement and Acquisition, are fair to, and in the best interests of, the Seller's stockholders, (ii) approving and declaring advisable this Agreement and the Acquisition in accordance with the Delaware General Corporation Law, (iii) directing that this Agreement and the terms of the acquisition be submitted to Seller's stockholders for adoption, and (iv) recommending that Seller's stockholders adopt this Agreement and approve the Acquisition.

(xx) Seller Stockholder Approval shall mean the approval of this Agreement and the terms of the Acquisition by the Seller's stockholders in accordance with Applicable Law, which such approval shall have become effective in accordance with the terms of the Stockholder Written Consent and the Seller Board Recommendation.

(xxi) Subsidiary means, when used with respect to any party, any corporation or other entity, whether incorporated or unincorporated, at least a majority of the securities or other interests of which having by their terms ordinary voting power to elect a majority of the board of directors or others performing similar functions with respect to such corporation or other entity is directly or indirectly owned or controlled by such party or by any one or more of its Subsidiaries, or by such party and one or more of its Subsidiaries.

(xxii) Superior Proposal means a bona fide written Takeover Proposal involving the direct or indirect acquisition of the Business, the Acquired Assets or a majority of the outstanding Seller Common Stock pursuant to any asset sale and purchase, tender offer, exchange offer, merger, consolidation or other business combination, that the Seller Board determines in good faith (after consultation with outside legal counsel and the Seller Financial Advisor) is more favorable from a financial point of view to the holders of Seller's Common Stock than the transactions contemplated by this Agreement, taking into account (a) all financial considerations, (b) the identity of the third party making such Takeover Proposal, (c) the anticipated timing, conditions (including any financing condition or the reliability of any debt or equity funding commitments) and prospects for completion of such Takeover Proposal, (d) the other terms and conditions of such Takeover Proposal and the implications thereof on the Seller, including relevant legal, regulatory and other aspects of such Takeover Proposal deemed relevant by the Seller Board and (e) any revisions to the terms of this Agreement and the Acquisition proposed by the Purchaser during the Notice Period set forth in Section 6.02(d).

(xxiii) Takeover Proposal means a proposal or offer from, or indication of interest in making a proposal or offer by, any Person (other than Purchaser and its Subsidiaries) relating to any (a) direct or indirect acquisition of the Business or the Acquired



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Assets, (b) direct or indirect acquisition of fifteen percent (15%) or more of the voting equity interests of the Seller, (c) tender offer or exchange offer that if consummated would result in any Person beneficially owning (within the meaning of Section 13(d) of the Exchange Act) fifteen percent (15%) or more of the voting equity interests of the Seller, (d) merger, consolidation, other business combination or similar transaction involving the Seller or any of its Subsidiaries, pursuant to which such Person would own fifteen percent (15%) or more of the consolidated assets, net revenues or net income of the Seller, taken as a whole (except to the extent that such transaction does not involve the Business or the Acquired Assets) or (e) liquidation or dissolution (or the adoption of a plan of liquidation or dissolution) of the Seller or the declaration or payment of an extraordinary dividend (whether in cash or other property) by the Seller.

(xxiv) Termination Fee means \$480,000.00.

(xxv) Website means <http://www.tigerlogic.com/>

Section 10.05. Counterparts. This Agreement may be executed in one or more counterparts, all of which shall be considered one and the same agreement, and shall become effective when one or more such counterparts have been signed by each of the parties and delivered to the other party. The parties' signatures may be evidenced by PDF or facsimile transmissions, and each party may rely on a PDF or facsimile signature on behalf of the other party as proof of the other party's execution of this Agreement.

Section 10.06. Entire Agreement. This Agreement, the Ancillary Agreements and the Confidentiality Agreement, along with the disclosure schedules and the other Schedules and Exhibits hereto and thereto, contain the entire agreement and understanding between the parties hereto with respect to the subject matter hereof and supersede all prior agreements and understandings relating to such subject matter. Neither party shall be liable or bound to any other party in any manner by any representations, warranties or covenants relating to such subject matter except as specifically set forth herein or in the Ancillary Agreements or the Confidentiality Agreement.

Section 10.07. Severability. If any provision of this Agreement (or any portion thereof) or the application of any such provision (or any portion thereof) to any Person or circumstance shall be held invalid, illegal or unenforceable in any respect by a court of competent jurisdiction, such invalidity, illegality or unenforceability shall not affect any other provision hereof (or the remaining portion thereof) or the application of such provision to any other Persons or circumstances.

Section 10.08. Consent to Jurisdiction. Each of Purchaser and Seller irrevocably submits to the jurisdiction of the courts of the State of New York in New York City for the purposes of any suit, action or other proceeding arising out of this Agreement, any Ancillary Agreement or any transaction contemplated hereby or thereby. Each of Purchaser and Seller irrevocably and unconditionally waives any objection to the laying of venue of any action, suit or proceeding arising out of this Agreement, any Ancillary Agreement or the transactions contemplated hereby and

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thereby in the courts of the State of New York, and hereby and thereby further irrevocably and unconditionally waives and agrees not to plead or claim in any such court that any such action, suit or proceeding brought in any such court has been brought in an inconvenient forum.

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Section 10.09. Governing Law. This Agreement shall be governed by and construed in accordance with the internal laws of the State of New York applicable to agreements made and to be performed entirely within such State, without regard to the conflicts of law principles of such State.

Section 10.10. Specific Performance and Other Remedies.

(a) The parties to this Agreement agree that, in the event of any breach or threatened breach by the other party or parties hereto of any covenant, obligation or other agreement set forth in this Agreement, (i) each party shall be entitled, without any proof of actual damages (and in addition to any other remedy that may be available to it), to a decree or order of specific performance or mandamus to enforce the observance and performance of such covenant, obligation or other agreement and an injunction preventing or restraining such breach or threatened breach, and (ii) no party hereto shall be required to provide or post any bond or other security or collateral in connection with any such decree, order or injunction or in connection with any related action or legal proceeding.

(b) Any and all remedies herein expressly conferred herein upon a party hereto shall be deemed to be cumulative with, and not exclusive of, any other remedy conferred hereby, or by law or in equity upon such party, and the exercise by a party hereto of any one remedy will not preclude the exercise of any other remedy.

Section 10.11. Amendments and Waivers. This Agreement may not be amended except by an instrument in writing signed on behalf of each of the parties hereto. By an instrument in writing Purchaser, on the one hand, or Seller, on the other hand, may waive compliance by the other party with any term or provision of this Agreement that such other party was or is obligated to comply with or perform.

*[Signature page follows]*

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IN WITNESS WHEREOF, the parties below have duly executed this Agreement as of the date first written above.

**SELLER:**

TIGERLOGIC CORPORATION

By: /s/ Roger Rowe  
Name: Roger Rowe  
Title: Acting Chief Executive Officer and Chief Financial Officer

**PURCHASER:**

SPRINKLR, INC.

By: /s/ Chris Lynch  
Name: Chris Lynch  
Title: Chief Financial Officer

*Signature Page to Asset Purchase Agreement*

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**FIRST AMENDMENT TO  
ASSET PURCHASE AGREEMENT**

This First Amendment to Asset Purchase Agreement (this Amendment ) is entered into as of March 4, 2016, to amend that certain Asset Purchase Agreement, dated February 17, 2016 (the Asset Purchase Agreement ), by and between TigerLogic Corporation, a Delaware corporation (Seller ), and Sprinklr, Inc., a Delaware corporation (Purchaser ). Capitalized terms used herein but not otherwise defined shall have the meanings set forth in the Asset Purchase Agreement.

**WHEREAS**, the Asset Purchase Agreement contemplated Seller's filing of an Information Statement on Schedule 14C (an Information Statement ) with the Securities and Exchange Commission (SEC ); and

**WHEREAS**, Seller has determined that it will file a Consent Statement on Schedule 14A with the SEC in lieu of an Information Statement; and

**WHEREAS**, the parties have agreed to amend the Asset Purchase Agreement in order to accommodate the above-referenced change in procedure.

**NOW, THEREFORE**, in consideration of the foregoing, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, it is hereby agreed as follows:

1. Subsection 6.15(a) is hereby deleted and replaced in its entirety with the following:

(a) On or promptly following the mailing date of the definitive Consent Solicitation Statement (as described below), but in any event within twenty four hours, Seller shall have obtained written consents in the form attached to the Consent Solicitation Statement approving the Acquisition from the holders of at least a majority of the shares of Seller's capital stock entitled to vote thereon (the Stockholder Written Consent ). The Stockholder Written Consent shall, by its terms, provide that the Closing shall occur no earlier than the date (the Earliest Closing Date ) that is twenty (20) calendar days after the transmission by Seller of a definitive Consent Solicitation Statement on Schedule 14A related to the Acquisition and the Stockholder Written Consent pursuant to Rule 14a-3 under the Exchange Act (the Consent Solicitation Statement ).

2. Each reference to an Information Statement included in the Asset Purchase Agreement is hereby amended to refer to a Consent Solicitation Statement as defined in Subsection 6.15(a), as amended hereby.

3. Except as expressly set forth herein, the Asset Purchase Agreement shall continue in full force and effect in accordance with its terms.

*[signature page follows]*

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IN WITNESS WHEREOF, the undersigned have caused this First Amendment to Asset Purchase Agreement to be executed as of the date first above written.

**SELLER:**

TIGERLOGIC CORPORATION

By: /s/ Roger Rowe  
Name: Roger Rowe  
Title: Acting Chief Executive Officer and Chief Financial Officer

**PURCHASER:**

SPRINKLR, INC.

By: /s/ Chris Lynch  
Name: Chris Lynch  
Title: Chief Financial Officer

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**TIGERLOGIC CORPORATION**

**CONSENT BY STOCKHOLDERS OF TIGERLOGIC CORPORATION  
TO TAKE ACTION WITHOUT A MEETING**

**THIS CONSENT IS BEING SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS**

The undersigned holder of common stock of TigerLogic Corporation, a Delaware corporation (the Company), hereby consents to the following corporate action without a meeting pursuant to Section 228 of the Delaware General Corporation Law with respect to all shares of the Company's common stock held by the undersigned.

Resolved, that the Asset Purchase Agreement by and between the Company and Sprinklr, Inc., a Delaware corporation, as amended on March 4, 2016, and the transactions contemplated thereby, whereby the Company will sell to Sprinklr its assets associated with the Postano business, be authorized and approved in all respects.

IMPORTANT - PLEASE COMPLETE, SIGN, DATE AND RETURN PROMPTLY.

The undersigned hereby revokes any consents heretofore given.

DATED the            day of           , 2016.

Signature of Stockholder

Name of Stockholder (please print)

NOTES:

1. This consent must be signed by the stockholder or his attorney authorized in writing or, if the stockholder is a corporation, under its seal or by an officer or attorney thereof duly authorized.



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2. Please fill in the date on this consent. If the date is not filled in, this consent shall be deemed to be dated on the date it was received by the Company.

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