Court File No.: CV-20-00642010-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT,* R.S.C. 1985, C. c-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF PERASO TECHNOLOGIES INC.

Applicant

AFFIDAVIT OF TODD CRAMER

(Sworn June 30, 2020)

I, Todd Cramer, of the City of Philadelphia, in the State of Pennsylvania, in the United States of America, MAKE OATH AND SAY:

1. I am the Growth Director, Strategy, at Ubiquiti Inc. ("**Ubiquiti**"). I am also the appointed observer ("**Ubiquiti Board Observer**") for Ubiquiti Inc.'s Canadian subsidiary Ubiquiti Networks Canada Inc. ("**Ubiquiti Canada**"), in respect of the board of directors of the Applicant Peraso Technologies Inc. ("**Peraso**").

2. I either have knowledge of the matters I refer to in my affidavit or have identified the source of my information. I believe the information I received from others to be true.

A. Ubiquiti's stake holding in Peraso

3. Ubiquiti is Peraso's largest customer, representing at least approximately 95% of Peraso's revenue from microchip components and 40% of Peraso's overall revenue.[1] Ubiquiti is also a shareholder of Peraso, through Ubiquiti Canada.

4. Pursuant to Peraso's "Eighth Amended and Restated Unanimous Shareholders Agreement", Ubiquiti's Board Observer is entitled to attend all meetings of the Peraso board of directors ("**Peraso Board**") and receive all applicable notices and materials. I have acted as Ubiquiti's Board Observer since January of 2019 and attended each Peraso Board meeting to and including October 16, 2019. With one exception for a meeting on March 2, 2020, Peraso stopped including me in Peraso Board meetings after October 16, 2019.

B. Responding to DIP Affidavit

5. This Affidavit is prepared as a partial response to the affidavit of Ronald Glibbery affirmed June 25, 2020 ("**DIP Affidavit**"), filed by Peraso in support of its motion in these proceedings returnable July 2, 2020 for approval of a DIP loan and other relief ("**DIP Approval Motion**"). It addresses some of our serious concerns with the bona fides of the DIP financing being proposed by Peraso and about its appropriateness in the circumstances.

6. Ubiquiti also has serious concerns about the DIP Affidavit itself. Although the DIP Affidavit was filed in respect of proposed DIP financing by non-Ubiquiti entities, Mr.

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[1] According to the Initial Affidavit of Mr. Glibbery, filed in these proceedings, at para. 24.

Glibbery has included inaccurate statements and/or mischaracterizations concerning Ubiquiti.

7. Peraso cast similar aspersions on Ubiquiti in earlier affidavits in these proceedings (in support of the Initial Order and the Amended and Restated Initial Order). Ubiquiti did not respond to those because it did not see them as pertinent to what the Court was being asked to deal with at the time, nor a productive use of Ubiquiti's resources. However, given that Peraso has now used the DIP Affidavit in part to again make unfair criticisms of Ubiquiti, Ubiquiti has concluded it necessary to inform the Court of our belief that certain portions of the DIP Affidavit contain potentially significant misstatements or mischaracterizations.

8. I do not intend here to address all of Peraso's misstatements in its affidavits, since that would effectively require Ubiquiti to litigate, on the DIP Approval Motion, Ubiquiti's pending action in New York and its pending oppression proceeding in this Court against Peraso and others. Ubiquiti was compelled to bring those proceedings to try to rectify the effects of a strategy adopted by Peraso which appears to Ubiquiti to have been calculated to make Peraso more easily saleable for the immediate benefit of Roadmap, as its largest shareholder and secured creditor. The fact that I am not responding in full to all comments by Peraso about Ubiquiti to date should not be construed as acquiescence by Ubiquiti to any of those statements

9. Also, Peraso and Ubiquiti have a mediation scheduled for July 6 and 7, 2020. Ubiquiti is committed to work in good faith to achieve a constructive resolution of all the disputes and a productive ongoing business relationship with Peraso for the benefit of all

stakeholders. Ubiquiti understands Peraso's participation is based on the same level of commitment.

10. The specific issues I address below are these:

(i) allegations about the "Milestone" events as a basis for disqualifying Ubiquiti from providing the DIP;

(ii) mischaracterisations of Ubiquiti's financing proposal made in March 2020;

(iii) the Ubiquiti DIP proposal; and,

(iv) the Roadmap story.

C. Background to the Ubiquiti/Peraso commercial relationship

11. The Ubiquiti companies are in the business of developing and marketing professional network hardware and software that is used to create networking infrastructures throughout the world. Ubiquiti is a worldwide leader in the supply of wireless networking equipment to wireless service providers, enterprises and consumers worldwide.

12. In 2018, Ubiquiti determined to launch new wireless networking products to specifically operate at or near the 60GHz frequency. The 60GHz frequency is one that allows very fast wireless transmission of data – generally over relatively short distances – for applications requiring large amounts of wireless bandwidth, such as gaming, video and other streaming applications.

13. Microchips are one of the core components of these networking products.

14. A number of chip manufacturers had 60GHz chips available or that would likely soon be available, but Ubiquiti needed to find a partner with whom it could co-develop components specifically for Ubiquiti's intended new products, which would be innovative and leading-edge technology in the marketplace.

15. Peraso, a venture fund-owned company, is a technology company specializing in the development of integrated circuits for the 60 GHz wireless marketplace, in business since 2009.

16. Peraso reached out to Ubiquiti to discuss the potential for it to develop and supply the type of chips Ubiquiti would need for its new product line, given that it was already a supplier of chips on the 60GHz frequency.

17. The commercial terms for the relationship between Ubiquiti and Peraso were extensively negotiated and are contained in a set of related agreements finalized in December 2018, including the "License and Development Agreement" ("**LDA**") and the "Class C Series 1 Convertible Preferred Share Subscription Agreement" (the "**Subscription Agreement**").

18. The LDA prescribes the ownership and licensing terms for the customized chipsets that were to be developed and produced, including the crucial exclusivity obligations of Peraso.

19. As part of the transaction, and as an incentive to Peraso to develop the chipset technology on a timely basis, Ubiquiti conditionally agreed to purchase up to $15 million in preferred shares of Peraso, divided over three tranches, with each tranche being purchased only if certain enumerated development "Milestones" were achieved by Peraso by specified

deadlines. The technical requirements for these Milestones are prescribed in an appendix to the LDA. Assuming that the Milestones were met by their deadlines, the other preconditions for the potential funding were set out in the Subscription Agreement.

20. The parties acknowledged that the First Tranche Development Milestone was reached as of the time of executing the agreements, and so Ubiquiti immediately subscribed for $5 million of Peraso's Class C Series 1 Convertible Preferred Shares ("**Class C Shares**").

21. Under the Subscription Agreement, if Peraso achieved the Second Tranche Development Milestone by January 31, 2019, and the Third Tranche Development Milestone by October 31, 2019, and provided it fulfilled all the other preconditions for further funding set out in the Subscription Agreement, Peraso could elect to trigger additional equity funding of $2 million and $8 million, respectively. The Subscription Agreement provided a form of notice for Peraso to deliver to Ubiquiti at least 15 days before the respective equity funding closings, confirming among other things the number of Class C Shares being subscribed for and the closing date.

22. Unfortunately, Peraso achieved neither of those Milestones by their respective deadlines, and it never delivered the notice contained in the Subscription Agreement (Schedule F) to trigger either tranche of further funding.

D. Peraso's mischaracterization of the Milestone events as the basis for concerns with Ubiquiti as the DIP lender

23. At paragraph 31 of the DIP Affidavit, Mr. Glibbery says that he is "concerned" with Ubiquiti acting as DIP lender as a result of Ubiquiti's actions in relation to the agreements discussed above:

> …In particular, I am concerned that Ubiquiti may view being an interim lender as a path towards obtaining ownership of Peraso's intellectual property. On at least two prior occasions, Ubiquiti has tried to obtain Peraso's intellectual property:
>
> > (a) In August 2019, Ubiquiti began demanding, among other things, that it be given joint and equal ownership rights to the intellectual property covered by the Licence Agreement that governed Peraso and Ubiquiti's relationship. As leverage, Ubiquiti indicated that it would cause its subsidiary to withhold a promised investment of $8 million in Peraso if its demands were not met. Ubiquiti's demands were outside the terms of the Licence Agreement, and Ubiquiti's investment in Peraso was not conditional on an ownership interest in Peraso's intellectual property. Peraso did not grant Ubiquiti with an ownership interest in its intellectual property, and Ubiquiti has yet to make its $8 million investment in Peraso; and

24. Mr. Glibbery's description of events is not accurate.

25. In August 2019, Peraso was in need of financing. It had experienced significant difficulties in its markets outside of the Ubiquiti market, had failed to satisfy the Second Tranche Development Milestone and had thus not qualified itself to trigger (and it never purported to trigger) the $2 million in equity funding that it potentially could have qualified for on or before January 31, 2019.

26. Peraso and Ubiquiti (being Peraso's largest customer and most important business partner) discussed alternative ways for Ubiquiti to potentially assist Peraso with funding.

27. A number of options were discussed, including whether Ubiquiti could purchase certain of Peraso's "intellectual property" in exchange for what would effectively be payment of the amount that would be payable if the Third Development Milestone was achieved. Ubiquiti never "demanded" that this transfer happen, nor did it ever threaten to withhold the $8 million of potential funding under the Third Development Tranche. (The

"intellectual property" rights being discussed were effectively rights for Ubiquiti to assume the ability to manufacture the customized chipsets, given the concern over Peraso's viability and its ability to execute on time and deliver customized chipsets with the required functionality.) Peraso and Ubiquiti did not come to any arrangement, but Peraso would still be able to benefit from the Third Development Milestone funding if it were able to meet the preconditions for that. Ubiquiti unequivocally did not "withhold" or threaten to withhold a "promised investment of $8 million."

28. Ubiquiti "has yet to make its $8 million investment" (as Mr. Glibbery puts it) because *Peraso* failed to meet the Third Development Milestone and fulfill the other preconditions to a subscription by Ubiquiti for $8 million of Class C Shares. Peraso did not even purport to trigger that funding and never delivered to Ubiquiti any notice under the Subscription Agreement to do so.

29. Peraso made itself ineligible for the further funding that had potentially been available to it.

30. The October 31 deadline came and went without Peraso meeting the Third Tranche Development Milestone or triggering the further funding, and Ubiquiti and Peraso continued their day-to-day co-development of the customized chipsets. Then suddenly, on December 11, 2019, to Ubiquiti's astonishment Peraso had its counsel send a letter to Ubiquiti's legal department stating that Ubiquiti was in default of a "material obligation" under the LDA (the "**Default Notice**"). The Default Notice claimed that Peraso had given Ubiquiti notice of its achievement of the Third Tranche Development Milestone on October 31 and that Ubiquiti had failed to give Peraso written notice of rejection or

acceptance of Peraso's alleged achievement of the Third Tranche Development Milestone within 30 days of October 31, 2019.

31. Peraso's Default Notice made no sense to Ubiquiti's management personnel. Ubiquiti was unaware of any notice of achievement having been delivered on October 31, or otherwise, including in the many conversations which we had had with Peraso management since October 31. Accordingly, Ubiquiti emailed Bill McLean (then the CEO of Peraso) inquiring what notice of achievement was being referred to. Mr. McLean responded by saying the reference was actually to an email to Mr. Ying Chen, an engineer at Ubiquiti; it had not been notice to anyone at Ubiquiti in management or its legal department.

32. When Ubiquiti located the email Mr. McLean was referencing, it was even more apparent that the Default Notice was not and could not be a "default notice". Peraso had clearly *not* provided notice of achievement of the Third Tranche Development Milestone under the LDA because the October 31 email was not true. The Third Tranche Development Milestone had *not* in fact been achieved, and core items were missing or not functional -- there was a complete absence of "full characterization results" (needed to permit Ubiquiti to test the components), and other items were "blocking items" to achieving the technical requirements of the Milestone. The October 31 email had not even been delivered by an appropriate mode of delivery to an appropriate addressee at Ubiquiti.[2] (The Default Notice was not addressed to Mr. Chen: it was addressed to the Ubiquiti legal department.)

[2] The LDA does not prescribe specific notice criteria but provides that it and the related agreements constitute the entire agreement between the parties. Under the Subscription Agreement, notice is to be addressed to Ubiquiti's legal department, and given by personal delivery, courier or fax.

33. The Default Notice also completely ignored that, in any event, the Ubiquiti engineer to whom the email was sent immediately responded to the email, and clearly set out the basis for rejecting Peraso's claim of "achievement". This was further elaborated upon within days thereafter.

34. Even *had* Ubiquiti not sent the rejection of achievement within 30 days (which it did send, immediately), that could not have been material to Peraso. There was no prejudice to Peraso under the LDA from not receiving a rejection within 30 days. And there was no prejudice to Peraso under the Subscription Agreement, because Peraso had not achieved the Milestone (or fulfilled the other preconditions) by October 31, which was the time-of-the-essence deadline under the Subscription Agreement.

35. Despite this, on January 16, 2020 Peraso's counsel purported to terminate the LDA, based on Ubiquiti's alleged failure to remedy the 'material breach' alleged in the Notice of Default ("**Purported Termination**"). The Purported Termination was not delivered to Mr. Chen: it was addressed to Ubiquiti's legal department.

E. Peraso's mischaracterization of the Ubiquiti financing proposal in March 2020

36. Mr. Glibbery continues at paragraph 31 of the DIP Affidavit with a statement of an additional reason for his purported "concern" with Ubiquiti acting as a DIP lender:

> (b) on March 11, 2020—approximately 16 hours before Peraso's shareholders were scheduled to vote on issuing the 2020 Notes to obtain emergency financing—Ubiquiti tendered a "loan-to-own" proposal that required Peraso's existing secured lenders subordinate their interests in favour of Ubiquiti. Ubiquiti's proposal was, in my view, designed only to cause confusion, distract from the 2020 Notes proposal, and give Ubiquiti a senior secured ranking over all of Peraso's assets, including its intellectual property.

37. Mr. Glibbery's speculation is, respectfully, entirely incorrect.

38. Despite its contractual obligation to do so, Peraso chose not to provide any board meeting notices or meeting material to me as Ubiquiti Board Observer since October of 2019. On or near March 2, 2020 Peraso suddenly sent out notice of a special shareholders' meeting to consider a set of transactions approving a new secured financing, a conversion of all preference shares to common shares, and giving Roadmap four of the five board positions in Peraso.

39. Ubiquiti was surprised by the proposed terms of the transactions, including the substantial control of Peraso that they would give to Roadmap. Ubiquiti worked to prepare funding terms for Peraso which were not tied to a restructuring of the share capital or specific changes to the board.

40. On March 11, Ubiquiti offered to provide bridge financing to give Peraso time and not be cornered into accepting Roadmap's terms. In a good faith effort to give Peraso maximum flexibility to structure the loan according to its needs and situation, Ubiquiti delivered a draft loan agreement to Peraso, intending to invite a dialogue with Peraso on its funding needs, and even left the amount open for Peraso to advise upon according to its needs. However, without ever engaging Ubiquiti, the four directors (two were Roadmap appointees) dismissed Ubiquiti's offer out of hand and proceeded with an amended term sheet, giving Roadmap even more rights than under the proposed terms that had been circulated.

41. Ubiquiti's loan offer was always intended to offer Peraso a lifeline and was not a "loan-to-own" as Mr. Glibbery characterizes it – a fact which Ubiquiti would have been happy

to confirm had Peraso engaged with Ubiquiti and conveyed that it perceived Ubiquiti's proposal as a loan-to-own.

F. The proposed Ubiquiti DIP

42. Peraso now seeks this Court's approval for the DIP financing (the **"Roadmap DIP"**) proposed by Roadmap Capital Inc. and its affiliates (together "**Roadmap**") and XCom Labs, Inc. ("**XCOM**"). Ubiquiti has significant concerns regarding the Roadmap DIP, as discussed in detail below.

43. Roadmap is Peraso's largest secured creditor and shareholder. According to Peraso's website, two of the Peraso Board seats are held by representatives of Roadmap.

44. Ubiquiti has serious concerns regarding the proposed Roadmap DIP, particularly given that Ubiquiti submitted its own DIP proposal that is on materially better economic terms and attempted to address the conceptual concerns raised by both Peraso and the Monitor with Ubiquiti acting as DIP lender.

45. Attached as **Exhibit "1"** is an email chain between Ubiquiti's counsel and the Monitor and its counsel, beginning with Ubiquiti's counsel's request for financial information regarding Peraso and information as to timing so that it could submit a proposal for DIP financing. The Monitor's counsel responded that it would not be feasible for Ubiquiti to be the DIP lender due to the litigation between the parties, and after an exchange invited Ubiquiti's counsel to address that concern.

46. On June 21, 2020, Ubiquiti's counsel responded to the Monitor's counsel, discussing certain of those conceptual concerns, and again requested financial information so that it

could understand the needs of Peraso for DIP financing and the timing of submissions. On June 23, 2020, not having had a response to the June 21 email, Ubiquiti's counsel submitted to the Monitor and its counsel a draft term sheet for DIP financing. A copy of the June 23, 2020 email is attached hereto as **Exhibit "2"**. A copy of the draft term sheet is attached hereto as **Exhibit "3"** (the "**Ubiquiti DIP**").

47. In addition to certain customary conditions for DIP financing, the Ubiquiti DIP provides economic financing terms that are materially and objectively more advantageous to Peraso than the Roadmap DIP. The table below compares certain of the key financing terms:

	Roadmap DIP	**Ubiquiti DIP**
DIP Facility	Redacted	$10,000,000 (negotiable)
Interest Rate	6%, compounded monthly and payable monthly	0%
Use of Proceeds	In addition to standard use of proceeds, the proceeds are to fund the fees and expenses of the Lenders related to DIP facility, as well as the Lenders' <u>fees and expenses **in connection with the CCAA proceedings**, including those incurred **prior to and after the Initial Order**</u>.[3]	In addition to standard use of proceeds, the proceeds would only fund the fees and expenses of the Lender related to DIP facility.

48. Ubiquiti also provided terms to address the Monitor's concerns that Ubiquiti and Peraso are engaged in litigation. Under the Ubiquiti DIP proposal, once the customary

[3] Roadmap is a shareholder, creditor, and potential purchaser of Peraso. XCom has previously expressed interested in investing in Peraso. The breadth of this term would allow Roadmap and XCom to recover fees for anything done in connection with the CCAA proceedings, both before and after the Initial Order, whether in their capacity as a shareholder, creditor, potential purchaser or customer.

conditions precedent were met, the entire facility was to be advanced to the Monitor at the outset, and then distributed to Peraso at the Monitor's discretion and without Ubiquiti's involvement (see section 10 of Exhibit "3"). As a result, Ubiquiti would have no ability to impact the litigation by withholding the advancement of funds.

49. Contrary to what is asserted in paragraph 33 of the DIP Affidavit, the Ubiquiti DIP proposal was also formulated to ensure that Ubiquiti would not receive any information that would provide it any advantages in the litigation, and to exclude from books and records information to be made available to Ubiquiti any information regarding the litigation. The Ubiquiti DIP proposal would permit a 10% variance to a DIP budget, but provided that any variance with respect to the litigation costs would not be included in determining whether a material variance had occurred, recognizing that litigation costs can vary significantly, and Ubiquiti would have no input on the litigation budget.

50. Importantly, Ubiquiti even offered to subordinate its DIP funding to another lender whose DIP funding would fund the litigation separately, i.e., so that Ubiquiti would fund the operations and any sales process with a DIP charge subordinate to the other lender

51. Despite Mr. Glibbery's speculation, the Ubiquiti DIP proposal was formulated to address the concerns which Peraso and the Monitor were expected to have. Further, Ubiquiti was open to negotiate.

G. The Roadmap DIP

52. Ubiquiti has serious concerns that the Roadmap DIP contains a number of inappropriate provisions which place Roadmap and XCom in a position to take even greater control over Peraso, and which are not in the best interests of Peraso's other stakeholders,

including Ubiquiti. A non-exhaustive list of issues with the Roadmap DIP is attached as **Exhibit “4”**.

53. Ubiquiti also has significant concerns with XCom being a DIP lender. Based upon information provided by Peraso, it is apparent that XCom has been considering various transactions with Peraso, including financings and other forms of investment in Peraso, since late 2019. XCom and Peraso also apparently signed a licence and development agreement within weeks of Peraso’s Purported Termination of the LDA. The Roadmap DIP term sheet purports to permit XCom to be repaid the DIP loan it advances (which we are being prevented from understanding through the redactions) by meeting undisclosed development milestones in favour of XCom.

54. The Roadmap DIP therefore sets up Roadmap and XCom as likely acquirers of the business, with consent or veto rights over other transactions and restructuring efforts, an option to provide any future funding no matter who proposes it, the ability to freely assign the DIP debt without notice to or consent of Peraso or the Monitor, and sets up a situation where Peraso will be incented to perform work for XCom to achieve those milestones in priority to other things, including fulfilling outstanding work orders for Ubiquiti and others. This arrangement and the incentives provided to XCom in fact cause Ubiquiti to be concerned whether Peraso truly intends or even wants to reach a resolution with Ubiquiti.

55. The Roadmap DIP in our view would not be in the best interests of Peraso, but rather in the best interests of Peraso’s controlling stakeholder, Roadmap. While Mr. Glibbery states at para. 45 of the DIP Affidavit that the Roadmap DIP is “the result of extensive

arms'-length negotiations", Roadmap is the controlling stakeholder over Peraso, holding 4 of 5 board seats.

56. Although Mr. Glibbery says that he is concerned Ubiquiti intends to obtain ownership of Peraso through its interim financing proposal, Peraso supports the Roadmap DIP despite the fact that it provides Roadmap and XCom with significant advantages towards obtaining ownership of Peraso.

I. REDACTIONS

57. Peraso has redacted:

(a) portions of paragraphs 20(a)-(c), 26, 30, 42, and 46, and all of Exhibit "E", of the DIP Affidavit;

(b) portions of sections 4, 5, 7, Schedule "C", Schedule "D" of the Roadmap DIP; and

(c) portions of paragraphs (a) and (b) of the Side Letter with XCom dated June 25, 2020.

58. These redactions conceal non-confidential and important information regarding the Roadmap DIP, in particular the maturity date, the facility amount, and the drawdown amounts of the Roadmap DIP.

59. We see no reason how or why the provision of financial information could advantage Ubiquiti, particularly in the circumstances of an existing CCAA proceeding. Disclosure is necessary for Ubiquiti, and others, to make full and fair assessment - and make submissions to the Court - as to whether the Roadmap DIP is in the best interests of Peraso and its stakeholders, particularly given the fact that Roadmap is effectively controlling Peraso, and due to the incentives which this arrangement provides to get the

XCom milestones met ahead of other stakeholders' interests. For example, we have no way of knowing if the amount of the DIP is appropriate in comparison to the cash needs of the company or will simply set the table to give the lenders even more leverage.

SWORN BEFORE ME by video conference at the City of Toronto, in the Province of Ontario, on this 30th day of June, 2020 A Commissioner for taking affidavits, etc. Scott Kerr	**Todd Cramer**

7071679

Exhibit 1

This is **EXHIBIT "1"** referred to in the Affidavit of T. CRAMER
SWORN before me by video conference this 30th day of June, 2020

A Commissioner for Taking Affidavits, etc.

From: Latham, Joe
Sent: Sunday, June 21, 2020 10:19 AM
To: D. J. Miller; 'Brian.M.Denega@ca.ey.com'
Cc: Conklin, David
Subject: RE: Peraso

DJ and Brian, thanks. To date, you have seen one side of the story. You need to appreciate that Ubiquiti wants Peraso to succeed – their interests are more aligned than you may appreciate. Ubiquiti is a shareholder, a co-developer of the chips that are at the heart of the underlying litigation and that Peraso is looking to commercialize. Ubiquiti is the largest single customer of Peraso who is planning to roll out new products built around these chips. Ubiquiti's goal is to see Peraso be able to produce these chips efficiently.

We understand that you believe the biggest issue regarding Ubiquiti being the DIP lender is the litigation, and we are not trying to starve Peraso from paying its legal fees and expenses, or to be seen to control what they do in that litigation. We are working on concepts that would permit funding without Ubiquiti being in a position to arbitrarily shut down Peraso's arguments in the litigation. Similarly, we are evaluating concepts around funding to ensure that it is not Ubiquiti who might hold up future advances. And, we are only contemplating "case controls" or milestones which we believe are standard or would be expected. Our proposal would also rely on the independence of the Monitor.

However, without financial information, and no indication of timing, we are not in a position to advance what we firmly believe will be a competitive proposal, and may well be in the best interests of Peraso and its stakeholders. We were surprised to get your email Friday seemingly shutting us out. The process to seek a DIP must be fair, and be seen to be fair. We asked for information formally on June 15 and it took 4 days for you to tell us that you were not giving us information, without even discussing the matter with us.

We would greatly appreciate receiving access to the relevant financial information as soon as possible, and to better understand the timeframes related to any financing proposals.

We look forward to hearing from you.

Joseph Latham
Goodmans LLP

416.597.4211
jlatham@goodmans.ca
goodmans.ca

From: D. J. Miller <DJMiller@tgf.ca>
Sent: Friday, June 19, 2020 4:17 PM
To: Latham, Joe <jlatham@goodmans.ca>; 'Brian.M.Denega@ca.ey.com' <Brian.M.Denega@ca.ey.com>
Cc: Conklin, David <dconklin@goodmans.ca>
Subject: RE: Peraso

The Monitor has identified a concern and it sounds like you've given some thought to how you might propose to address that concern, so why don't you let us know what you were thinking in that regard, and we can go from there. Thanks.

D.J.

D. J. Miller | | DJMiller@tgf.ca | Direct Line +1 416 304-0559 | www.tgf.ca

From: Latham, Joe [mailto:jlatham@goodmans.ca]
Sent: June 19, 2020 3:25 PM
To: D. J. Miller <DJMiller@tgf.ca>; 'Brian.M.Denega@ca.ey.com' <Brian.M.Denega@ca.ey.com>
Cc: Conklin, David <dconklin@goodmans.ca>
Subject: RE: Peraso

With respect, DJ and Brian, you haven't even seen anything from us, and have no idea what we were thinking of doing to address any such concerns. Besides, as I noted below, competitive tensions can be very helpful in such a process. The DIP process should not be run to permit any party to gain an advantage in the CCAA, we understand that, and we believe that our submission will help advance the goals of the restructuring.

We restate our request for financial information and information on the timing of your process.

Joseph Latham
Goodmans LLP

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From: D. J. Miller <DJMiller@tgf.ca>
Sent: Friday, June 19, 2020 1:47 PM
To: Latham, Joe <jlatham@goodmans.ca>; 'Brian.M.Denega@ca.ey.com' <Brian.M.Denega@ca.ey.com>
Cc: Conklin, David <dconklin@goodmans.ca>
Subject: RE: Peraso

Joe and David:

Apologies for the delayed response. Brian and I have been considering and discussing whether there is any basis upon which we could foresee Ubiquiti being a DIP lender to the Applicant, in view of the litigation that exists between the parties. In our view, we don't think it's feasible. If the litigation with Ubiquiti is resolved through the mediation or otherwise, then it might be appropriate to re-visit a potential DIP down the road.

Regards,

D.J.

D. J. Miller | | DJMiller@tgf.ca | Direct Line +1 416 304-0559 | www.tgf.ca

From: Latham, Joe [mailto:jlatham@goodmans.ca]
Sent: June 19, 2020 12:46 PM
To: D. J. Miller <DJMiller@tgf.ca>; 'Brian.M.Denega@ca.ey.com' <Brian.M.Denega@ca.ey.com>
Cc: Conklin, David <dconklin@goodmans.ca>
Subject: RE: Peraso

Brian and DJ, I wanted to follow up on this. We have still not heard anything about the financial information or any information about the timing of the process.

Joseph Latham
Goodmans LLP

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From: Latham, Joe
Sent: Wednesday, June 17, 2020 1:28 PM
To: 'D. J. Miller' <DJMiller@tgf.ca>; 'Brian.M.Denega@ca.ey.com' <Brian.M.Denega@ca.ey.com>
Cc: Conklin, David <DConklin@goodmans.ca>
Subject: RE: Peraso

Thank you. I was about to follow up. I presume it is in everyones' best interests for there to be some competitive pressure. We look forward to hearing from you as soon as possible.

Joseph Latham
Goodmans LLP

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From: D. J. Miller <DJMiller@tgf.ca>
Sent: Wednesday, June 17, 2020 1:08 PM
To: Latham, Joe <jlatham@goodmans.ca>; 'Brian.M.Denega@ca.ey.com' <Brian.M.Denega@ca.ey.com>
Cc: Conklin, David <dconklin@goodmans.ca>
Subject: RE: Peraso

Hi Joe: Apologies for the delay in responding. Brian and I will discuss this, and confer with Stikemans, and then get back to you shortly.

D.J.

Thornton Grout Finnigan LLP
RESTRUCTURING + LITIGATION

D. J. Miller | DJMiller@tgf.ca | Direct Line +1 416 304-0559 | Suite 3200, TD West Tower, 100 Wellington Street West, P.O. Box 329, Toronto-Dominion Centre, Toronto, Ontario M5K 1K7 | 416-304-1616 | Fax: 416-304-1313 | www.tgf.ca

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From: Latham, Joe [mailto:jlatham@goodmans.ca]
Sent: June 15, 2020 3:04 PM
To: 'Brian.M.Denega@ca.ey.com' <Brian.M.Denega@ca.ey.com>; D. J. Miller <DJMiller@tgf.ca>
Cc: Conklin, David <dconklin@goodmans.ca>
Subject: Peraso

Good afternoon, Brian and DJ. As we have suggested previously on the phone, Ubiquiti is interested in potentially providing a DIP loan to Peraso. We are aware of the issues and concerns that Maria Konyukhova described in our first call last week. However, we would like to understand the company's expected cash needs so as to be able to determine whether Ubiquiti will propose a DIP. We assume there are cash flows and similar information which would be made available to interested parties, and we would like to access those for the purpose of making that determination. We would also like to understand the time frame under which the process is playing out.

We look forward to hearing from you, as I am sure that competition among potential DIP lenders should help drive a better deal for Peraso. In light of the impending July 3 hearing, we would appreciate your prompt attention to this email.

Thank you for your attention to this matter.

Joseph Latham
Goodmans LLP

416.597.4211
jlatham@goodmans.ca
goodmans.ca

Exhibit 2

This is **EXHIBIT "2"** referred to in the Affidavit of T. CRAMER
SWORN before me by video conference this 30th day of June, 2020

A Commissioner for Taking Affidavits, etc.

Kerr, Scott

From:	Latham, Joe
Sent:	Tuesday, June 23, 2020 10:27 PM
To:	D. J. Miller; 'Brian.M.Denega@ca.ey.com'
Cc:	Conklin, David; Hartley Nisenbaum; Julia Pilliod
Subject:	Peraso - DIP Term Sheet
Attachments:	RE: Peraso; Draft Peraso DIP Term Sheet.doc
Importance:	High

DJ and Brian, we never received a response from you to our email of Sunday, June 21 at 10:18 am, attached. However, as we noted in that email, Ubiquiti is interested in Peraso succeeding. As we wrote then, Ubiquiti is a shareholder of Peraso and a co-developer of the chips that are at the heart of the underlying litigation and that Peraso is looking to commercialize. Ubiquiti is the largest single customer of Peraso who is planning to roll out new products built around these chips. Ubiquiti's goal is to see Peraso be able to produce these chips efficiently.

With that backdrop, and notwithstanding that Ubiquiti was never provided with financial information or an indication of the timeframes involved, Ubiquiti asked us to draft a DIP term sheet to propose what we and Ubiquiti believe is a very cost effective and debtor friendly DIP loan, seeking to provide Peraso the cash it needs to continue, on the best financial terms Ubiquiti could offer – charging no interest and no fees. A copy of our client's draft DIP Term Sheet is attached. We are hereby submitting it to you, as the Monitor in these proceedings, as part of the DIP selection process.

Obviously, without financial information, we are not in a position to understand the financial ask, and have inserted $10 million as a placeholder. We have also proposed a single advance structure with the Monitor releasing cash to Peraso as needed in connection with the DIP Budget to be updated periodically. And, we have made every effort to make clear that Ubiquiti would have no involvement in Peraso's conduct of the litigation (if not settled). We are happy to discuss any of the terms.

As an alternative, Ubiquiti would be prepared to work with any other DIP lender, perhaps including on a structure whereby the other DIP lender would deal with all issues related to the funding and conduct of the litigation, even taking the most senior DIP charge for that component of the DIP loan, with Ubiquiti's DIP loan funding ongoing operations and any strategic process with its DIP charge ranking junior to the other lender's component.

We are available to discuss these matters with you at your earliest convenience.

Joseph Latham
Goodmans LLP

416.597.4211
jlatham@goodmans.ca
goodmans.ca

ATTACHED EMAIL "RE: PERASO" EXCLUDED AS IT IS INCLUDED AS EXHIBIT “1”

ATTACHED "DRAFT PERASO DIP TERM SHEET" EXCLUDED AS IT IS INCLUDED AS EXHIBIT “3”

Exhibit 3

This is **EXHIBIT “3”** referred to in the Affidavit of T. CRAMER
SWORN before me by video conference this 30th day of June, 2020

A Commissioner for Taking Affidavits, etc.

Goodmans Draft: 23 June 2020

Without Prejudice
Privileged and Confidential

PERASO TECHNOLOGIES INC.

DIP FINANCING TERM SHEET

Dated as of June ●, 2020

WHEREAS Peraso Technologies Inc. (the "**Borrower**") has requested and the DIP Lender (as defined below) has agreed to provide financing to the Borrower during the pendency of the Borrower's proceedings (the "**CCAA Proceedings**") under the *Companies' Creditors Arrangement Act* (Canada) (the "**CCAA**") commenced before the Ontario Superior Court of Justice, Commercial List (the "**Court**"), such financing to be provided in accordance with the terms and conditions set out herein;

AND WHEREAS, the DIP Lender has agreed to provide financing in order to fund certain obligations of the Borrower during the CCAA Proceedings, the resolution of the Existing Litigation (as defined below) and the Borrower's pursuit of the Strategic Process (as defined below) **[NTD: The DIP Lender is prepared to consider alternative financing proposals whereby another DIP lender would fund the resolution of the Existing Litigation and the DIP Lender hereunder would fund the Borrower's operations and the Strategic Process.]**

NOW THEREFORE, the parties, in consideration of the foregoing and the mutual agreements contained herein (the receipt and sufficiency of which are hereby acknowledged), agree as follows:

1.	**BORROWER:**	Peraso Technologies Inc.
2.	**DIP LENDER:**	Ubiquiti Networks Canada Inc. (the "**DIP Lender**").
3.	**DEFINED TERMS:**	Unless otherwise defined herein, capitalized words and phrases used in this DIP Financing Term Sheet have the meanings given thereto in Schedule A hereto. Unless otherwise noted, all references to currency, "dollars" or "$" shall be deemed to refer to Canadian dollars.
4.	**DIP FACILITY; DRAWDOWN:**	A senior secured superpriority debtor-in-possession, interim, non-revolving single advance credit facility (the "**DIP Facility**") up to a maximum principal amount of **[$10,000,000]** (the "**Facility Amount**"), subject to the terms and conditions contained herein. **[NTD: The numbers here are placeholders only, as we have not seen any projections or information and thus would need to understand what the financing needs are]** The single advance of the Facility Amount in the amount of **[$10,000,000]** (the "**Advance**") shall be funded to the Monitor's account on the date that the Funding Conditions

(as defined below) have been satisfied or waived in accordance with Section 9.

The Monitor shall hold all funds received from the Advance for release to the Borrower only in accordance with and in amounts specified in the DIP Budget (subject to the Permitted Variance), as requested by the Borrower from time to time at least two (2) Business Days prior to the date of the proposed release of the funds by the Monitor. (each a "**Drawdown Request**"). No more than **[ten (10)]** Drawdown Requests shall be made by the Borrower. Each Drawdown Request delivered by the Borrower shall be accompanied by a Drawdown Request Certificate. The Drawdown Request Certificate shall certify, among other things (i) that all representations and warranties of the Borrower contained herein remain true and correct in all material respects both before and after giving effect to the use of such proceeds, (ii) that all of the covenants of the Borrower contained herein and all other terms and conditions contained herein, including the continued satisfaction of all Funding Conditions, have been complied with by the Borrower, (iii) that no Event of Default then exists and is continuing or would result therefrom and (iv) that the use of proceeds of such advance will comply with the DIP Budget (subject to the Permitted Variance). The Monitor shall provide a copy of each Drawdown Request and Drawdown Request Certificate to the DIP Lender promptly after receipt thereof.

5. INTEREST:

Initial Interest rate shall be 0.0% *per annum*.

After the occurrence of any Event of Default, interest shall be payable upon demand in cash from the date of the Event of Default at the rate of 2.0% per annum, compounded monthly on all amounts owing hereunder until indefeasibly paid in full in cash.

All interest and fees (if any are payable) shall be computed on the basis of a year of 365 days, provided that whenever a rate of interest or fee hereunder is calculated on the basis of a year (the "**deemed year**") that contains fewer days than the actual number of days in the calendar year of calculation, such rate of interest or fee rate shall be expressed as a yearly rate by multiplying such rate of interest or fee by the actual number of days in the calendar year of calculation and dividing it by the number of days in the deemed year.

6. FEES: No closing or arrangement fees are payable in connection with the establishment of the DIP Facility.

7. COSTS AND EXPENSES The Borrower will reimburse, without duplication, the DIP Lender for all reasonable and documented out-of-pocket expenses related to the DIP Facility (but no other fees or disbursements of Ubiquiti Inc. or its affiliates in connection with these CCAA Proceedings) and the on-going monitoring, administration and enforcement of the DIP Facility. Any issues of the quantum of such fees payable by the Borrower shall be reviewed and approved by the Monitor, acting reasonably.

8. PURPOSE AND PERMITTED PAYMENTS: The Borrower shall use proceeds of the DIP Facility solely for the following purposes, in each case in accordance with the Amended and Restated Initial Order and the DIP Budget (subject to the Permitted Variance):

(a) to pay (i) the reasonable and documented legal fees and expenses of the DIP Lender in accordance with Section 7 hereof, (ii) the reasonable and documented fees and expenses of the Borrower (including, without limitation, those incurred in connection with the conduct of the Existing Litigation and the Strategic Process), and (iii) the reasonable and documented fees and expenses of the Monitor and its legal counsel;

(b) to pay any interest owing to the DIP Lender under this DIP Financing Term Sheet and the other DIP Documents; and

(c) to fund the Borrower's general corporate and working capital purposes, including funding the CCAA Proceedings, the Existing Litigation and the pursuit of the Strategic Process.

The Borrower may use the proceeds of the DIP Facility to pay pre-filing obligations, provided that such amounts are permitted to be paid pursuant to the Amended and Restated Initial Order and the aggregate amount of all such pre-filing amounts shall not exceed the amount set out in the DIP Budget.

9. CONDITIONS PRECEDENT TO THE ADVANCE:

The DIP Lender's agreement to fund the Advance of the Facility Amount to the Borrower is subject to the satisfaction or waiver by the DIP Lender of the following conditions precedent prior to the Advance (the "**Funding Conditions**"):

(a) The DIP Lender shall be satisfied (i) with the DIP Budget, acting reasonably, (ii) that no material change report shall have filed by the Monitor suggesting that there is a material impairment to or destruction of any of the Collateral or any material depreciation in the value thereof and (iii) that the Borrower's operations comply, in all material respects, with all applicable laws and regulations;

(b) The DIP Lender (or its counsel) shall have had a reasonable opportunity to review advance copies of, and shall be reasonably satisfied with, all material documents to be filed in respect of the DIP Order;

(c) The Court shall have issued and entered the DIP Order substantially in the form reasonably acceptable to the DIP Lender (or its counsel), which shall include the grant by the Court of a superpriority charge in favour of the DIP Lender for the benefit of the DIP Lender (the "**DIP Lender Charge**") on the Collateral, securing all indebtedness, obligations, covenants or liabilities owing by the Borrower to the DIP Lender under this DIP Facility Term Sheet and any other DIP Document including, without limitation, all principal, interest, fees, indemnities and expenses owing to the DIP Lender as set out herein (collectively, the "**DIP Financing Obligations**") and providing, among other things, that the DIP Lender Charge shall have priority on the Collateral over all other Liens, other than solely and exclusively the Permitted Priority Liens, and the DIP Order shall not have been stayed, vacated or otherwise amended, restated or modified in any manner, without the written consent of the DIP Lender;

(d) The DIP Lender (or its counsel) shall be satisfied that (i) the entering into of this DIP Financing

Term Sheet and the other DIP Documents, the granting of the DIP Lender Charge, the consummation of the transactions contemplated hereby has been approved by the Borrower and (ii) service has been effected on a list of parties acceptable to the DIP Lender;

(e) The Borrower shall have executed and delivered this DIP Financing Term Sheet together with all other DIP Documents as may be reasonably required by the DIP Lender prior to the making of the Advance;

(f) The DIP Lender shall have received a customary legal opinion of Stikemans LLP with respect to such matters as may be reasonably required by the DIP Lender;

(g) No Event of Default shall have occurred or will occur as a result of the requested advance, and the representations and warranties of the Borrower herein shall be true and correct in all material respects;

(h) Since the Filing Date there shall not have occurred any payment, prepayment, redemption, purchase or exchange of any pre-filing indebtedness or equity, or amendment or modification of any of the terms thereof, except as permitted by the terms of the Amended and Restated Initial Order and the aggregate amount of all such pre-filing amounts do not exceed the amount set out therefor in the DIP Budget;

(i) The DIP Lender shall have valid and perfected superpriority Liens on the Collateral pursuant to the DIP Order and the DIP Lender Charge granted thereby, and there shall be no Liens ranking in priority to the DIP Lender Charge over the property and assets of the Borrower, other than the Permitted Priority Liens;

(j) All reasonable and documented expenses (including all reasonable and documented legal fees and expenses) of the DIP Lender incurred in connection with the DIP Facility (to the extent invoiced prior to the applicable funding date) shall have been paid in full (which expenses may be deducted from the Advance);

(k) All representations and warranties of the Borrower contained herein are true and correct in all material respects;

(l) The DIP Lender shall have received a request for the Advance, together with a certificate of the Borrower certifying that the Funding Conditions have been satisfied no later than the Business Day preceding the date of the Advance.

10. CONDITIONS PRECEDENT TO RELEASE OF FUNDS BY MONITOR:

The DIP Lender's agreement to allow the Monitor to release funds from the Advance to the Borrower pursuant to a Drawdown Request is subject to the satisfaction or waiver by the DIP Lender of the following conditions precedent prior to each such release (the "**Subsequent Release Conditions)**":

(a) The DIP Lender (or its counsel) shall have had a reasonable opportunity to review advance copies of, and shall be reasonably satisfied with, all material documents to be filed in respect of the Strategic Process Order (once same may be applicable), it being understood that the DIP Lender and its counsel shall not be entitled to receive any information in connection the Borrower's conduct of the Existing Litigation;

(b) The Court shall have issued and entered the Strategic Process Order, to approve and commence the Strategic Process, within 14 days after the final resolution of the Existing Litigation;

(c) The Funding Conditions shall continue to be satisfied;

(d) The Monitor shall have received a Drawdown Request together with Drawdown Request Certificate at least two (2) Business Days prior to the requested date for the release of funds held by the Monitor; and

(e) The Monitor shall not be aware of the occurrence of an Event of Default or any event which could reasonably be expected to result in an Event of

Default.

11. DIP FACILITY SECURITY:	All DIP Financing Obligations shall be secured by the DIP Lender Charge and, upon request of the DIP Lender, the Borrower shall enter into such additional security documentation as the DIP Lender, acting reasonably, shall request. The DIP Lender may require or proceed with the execution, filing or recording of registrations or financing statements.
12. REPAYMENT:	The DIP Facility shall be repayable in full on the earlier of: (i) the occurrence of any Event of Default hereunder which is continuing and has not been cured and a demand for repayment in writing having been made by the DIP Lender to the Borrower with a copy to the Monitor (and each of their respective counsel); (ii) the conversion of the CCAA Proceedings into a proceeding under the *Bankruptcy and Insolvency Act* (Canada); (iii) the implementation of a sale transaction pursuant to the Strategic Process or a plan of compromise or arrangement under the CCAA; and (iii) **[March 31, 2021]** (the earliest of such dates being the "**Maturity Date**"). The Maturity Date may be extended from time to time at the request of the Borrower and with the prior written consent of the DIP Lender in its sole discretion for such period and on such terms and conditions as the Borrower, the DIP Lender and, in the case of any material amendments to the terms hereof, the Monitor, may agree.
13. DIP BUDGET AND VARIANCE REPORTING:	Attached as Schedule B hereto is a copy of the agreed initial DIP Budget as in effect on the date hereof, which the DIP Lender acknowledges and agrees has been reviewed and approved by the DIP Lender, and is in form and substance reasonably satisfactory to the DIP Lender. Such DIP Budget shall be the DIP Budget referenced in this DIP Financing Term Sheet until such time as a revised DIP Budget has been approved by the DIP Lender in accordance with this Section 13. The Borrower may update and propose a revised DIP Budget to the DIP Lender no more frequently than every two weeks (unless otherwise consented to by the DIP Lender), in each case to be delivered to the DIP Lender's counsel and to the Monitor, no earlier than the Friday of the second week following the date of the delivery of the prior DIP Budget. If the DIP Lender determines that the proposed revised DIP Budget is not acceptable, it shall,

within four (4) Business Days of receipt thereof, provide written notice to the Borrower (and its legal counsel) and the Monitor stating that the proposed revised DIP Budget with respect to matters relating to its ongoing operations or the Strategic Process **[(but excluding matters relating to the Existing Litigation which shall not constitute a basis for the DIP Lender withholding its approval)]** is not acceptable and setting out the reasons why such revised DIP Budget is not acceptable, and until the Borrower has delivered a revised DIP Budget acceptable to the DIP Lender, the prior DIP Budget shall remain in effect. In the event that the DIP Lender (or its counsel) do not deliver to the Borrower written notice within four (4) Business Days after receipt by the DIP Lender's counsel of a proposed revised DIP Budget that such proposed revised DIP Budget is not acceptable to the DIP Lender, such proposed revised DIP Budget shall automatically and without further action be deemed to have been accepted by the DIP Lender and become the DIP Budget for the purposes hereof.

At any time, the latest DIP Budget accepted by the DIP Lender (or which has not been designated as not acceptable by the DIP Lender by written notice to the Borrower, as provided above), shall be the DIP Budget for the purpose of this DIP Financing Term Sheet.

On the last Business Day of every second week, the Borrower shall deliver to the DIP Lender and its counsel, a variance calculation with respect to matters (the "**Variance Report**") setting forth (i) actual receipts and disbursements for the preceding two-week period and (ii) actual receipts and disbursements on a cumulative basis since the beginning of the period covered by the then-current DIP Budget, in each case as against the then-current DIP Budget, and setting forth all the variances, on an aggregate basis in comparison to the amounts set forth in respect thereof in the DIP Budget; each such Variance Report to be promptly discussed with the DIP Lender and its advisors.

14. PREPAYMENTS:

The Borrower may, without premium or penalty, prepay any amounts outstanding under the DIP Facility at any time prior to the Maturity Date. Any amount repaid may not be reborrowed.

Any amount repaid under the DIP Facility shall be applied

<u>*first*</u> towards accrued and unpaid interest, and <u>*second*</u> towards principal of amounts outstanding.

15. CURRENCY:

If any payment is received by the DIP Lender hereunder in a currency other than Canadian dollars, or, if for the purposes of obtaining judgment in any court it is necessary to convert a sum due in Canadian dollars (the "**Original Currency**") into another currency (the "**Other Currency**"), the parties hereby agree, to the fullest extent permitted by Applicable Law, that the rate of exchange used shall be the rate at which the applicable DIP Lender is able to purchase the Original Currency with the Other Currency after any premium and costs of exchange on the Business Day preceding that on which such payment is made or final judgment is given.

16. REPRESENTATIONS AND WARRANTIES:

The Borrower represents and warrants to the DIP Lender, upon which the DIP Lender is relying in entering into this DIP Financing Term Sheet, that:

(a) The transactions contemplated by this DIP Financing Term Sheet and the other DIP Documents:

(i) are within the corporate power of the Borrower;

(ii) have been duly executed and delivered by or on behalf of the Borrower;

(iii) upon the granting of the DIP Order, shall constitute legal, valid and binding obligations of the Borrower, enforceable against the Borrower in accordance with their terms;

(iv) upon the granting of the DIP Order, do not require any material authorization from, the consent or approval of, registration or filing with, or any other action by, any governmental authority or any third party; and

(v) will not violate the articles or by-laws of the Borrower or any Applicable Law.

(b) The Collateral is free and clear of all Liens other than Permitted Liens and, upon the granting of the DIP Order, the DIP Lender Charge; and

(c) None of the reports, financial statements, certificates or other written information furnished by or on behalf of the Borrower to the DIP Lender or its advisors in connection with the negotiation of this DIP Financing Term Sheet or delivered with respect thereto (as modified or supplemented by other information so furnished), contains any misstatement of material fact or omits to state any material fact necessary to make the statements therein, taken as a whole, in the light of the circumstances under which it was made, not materially misleading.

(d) The business operations of the Borrower have been and will continue to be conducted in material compliance with all laws of each jurisdiction in which the business has been or is carried out.

(e) The Borrower has obtained and is in material compliance with all material licences and permits (save as may be subject to the Existing Litigation) required for the operation of its business, which licences and permits remain in full force and effect and no proceedings have been commenced or threatened to revoke or amend any of such licences or permits (except to the extent that such licences or permits are the subject of the Existing Litigation).

(f) The Borrower has, in respect of all prior fiscal periods (i) filed all tax returns, except in respect of any prior fiscal period for which the due date for filing the applicable tax return has not yet occurred and (ii) paid all taxes owing for all prior fiscal periods except for any taxes that are not yet due and payable or that are being diligently contested in good faith by the Borrower and for which sufficient reserves have been set aside.

(g) The Borrower has been duly formed and is validly existing under the law of its jurisdiction of incorporation.

(h) The Borrower maintains adequate insurance coverage, as is customary with companies in the same or similar business (except with respect to directors' and officers' insurance in respect of which no representation is made regarding adequacy of coverage) of such type, in such amounts and against such risks as is prudent for a business of its nature with financially sound and reputable insurers and that contain reasonable coverage and scope.

(i) The Borrower has maintained and paid current its obligations for Crown royalty, payroll, source deductions, harmonized, goods and services and retail sales tax, and all other applicable taxes, and is not in arrears of its statutory obligations to pay or remit any amount in respect of these obligations.

(j) The Borrower is not aware of any introduction, amendment, repeal or replacement of any law or regulation being made or proposed which could reasonably be expected to have a material adverse effect on the Borrower or its businesses.

(k) The Borrower has not entered into any material transaction or other written contractual relationship with any related party except as publicly-disclosed by the Borrower or disclosed to the DIP Lender in writing prior to the effective date of this DIP Financing Term Sheet.

(l) Other than as stayed pursuant to the Amended and Restated Initial Order, the commencement of the CCAA Proceedings has not triggered any contractual provision that would entitle any officer or director of Borrower to claim additional compensation, bonus or severance.

(m) Since March 1, 2020 there have been no extensions, supplements or amendments to the employment agreements of any senior officers or senior managers of the Borrower earning **[$100,000]** (or its equivalent in an alternative currency) or more per annum, including all bonuses and other cash compensation, and there are no other written employment agreements for any such senior officers or senior managers.

(n) All material payments to shareholders, directors and senior executives of the Borrower or any related party, whether under contract or otherwise, including bonus payments, transaction payments, change of control payments, management fees, consulting or advisory fees or amounts payable in respect of reimbursement, to the extent known and contemplated for future payments, have been included in the DIP Budget.

(o) Other than as stayed pursuant to the Amended and Restated Initial Order, and save and except for the Existing Litigation, there is not now pending or, to the knowledge of any of the senior officers or directors of the Borrower, threatened against the Borrower, nor has the Borrower received notice in respect of, any material claim, potential claim, litigation, action, suit, arbitration or other proceeding by or before any court, tribunal, governmental entity or regulatory body.

(p) All material contracts to which the Borrower is a party are in full force and effect and are valid, binding and enforceable in accordance with their terms and the Borrower has no knowledge of any default that has occurred and is continuing thereunder (other than those defaults arising as a result of the commencement of the CCAA Proceedings and matters which are the subject of the Existing Litigation).

(q) There are no agreements of any kind between the Borrower and any other third party or any holder of debt or equity securities of the Borrower with respect to the Strategic Process except for this DIP Financing Term Sheet.

(r) The Borrower does not have any defined benefit pension plans or similar plans.

(s) The Borrower is and remains in compliance with the Court Orders.

(t) The Borrower is not liable for any indebtedness for borrowed money, except as disclosed in the CCAA Proceedings.

17. AFFIRMATIVE COVENANTS:

The Borrower agrees to do, or cause to be done, the following, unless otherwise consented to or waived in writing by the DIP Lender:

(a) The Borrower shall serve its motion for the DIP Order on all material secured parties, if any, that did not receive notice of the application for the DIP Order and shall include an application by the Borrower requesting that the Court order that the DIP Lender Charge shall rank in priority to the Liens of any such secured parties that did not receive notice of the application for the DIP Order;

(b) Other than any information relating to the Existing Litigation (i) provide a representative of the DIP Lender with reasonable access to the books, records, financial information and electronic data rooms of or maintained by the Borrower, and (ii) cause management, the financial advisor and legal counsel of the Borrower, to cooperate with reasonable requests for information by the DIP Lender and its advisors, in each case subject to solicitor-client privilege, all Court Orders and applicable privacy laws and the Borrower's confidentiality obligations to third parties, in connection with matters reasonably related to the DIP Facility or compliance of the Borrower with its obligations pursuant to this DIP Financing Term Sheet and the other DIP Documents;

(c) Keep the DIP Lender apprised on a timely basis of all material developments with respect to the business and affairs of the Borrower and the CCAA Proceedings, including all matters relating to the Strategic Process, in each case subject to disclosure restrictions contained in the Strategic Process and excluding information relating to the Borrower's conduct of the Existing Litigation, including any requirement for confidentiality agreements thereunder;

(d) Deliver to the DIP Lender's advisors the reporting and other information (other than any such information relating to the Existing Litigation) reasonably requested by them from time to time as set out in this DIP Financing Term Sheet including, without limitation, the Variance Reports at the times set out herein;

(e) Use the proceeds of the DIP Facility only in accordance with Section 8 and in accordance with the restrictions set out herein and pursuant to the DIP Budget;

(f) Comply with the terms of the Strategic Process and the provisions of the Amended and Restated Initial Order, the DIP Order, the Strategic Process Order (as and when obtained) and all other orders of the Court entered in connection with the CCAA Proceedings (collectively, the "**Court Orders**" and each a "**Court Order**");

(g) Preserve, renew and keep in full force its corporate existence;

(h) Conduct its business in accordance with the DIP Budget (subject to the Permitted Variance);

(i) Promptly notify the DIP Lender of the occurrence of any Event of Default and any other event or circumstance that may negatively impact the DIP Budget (other than events or circumstances relating to the Existing Litigation), including any material change in its contractual arrangements or with relationships with third parties;

(j) Comply in all material respects with Applicable Law, except to the extent not required to do so pursuant to the Amended and Restated Initial Order, the DIP Order or any other Court Order;

(k) Provide the DIP Lender's counsel with draft copies of all material motions, applications or proposed orders that the Borrower intends to file in the CCAA Proceedings (other than motions, applications or proposed orders brought in connection with the resolution of the Existing Litigation) as soon as is reasonably practicable in advance of the service of such materials to the service list in respect of the CCAA Proceedings; provided that all such filings by the Borrower shall be in form and substance reasonably acceptable to the DIP Lender and its counsel to the extent that any such filings affect the rights and interests of the DIP Lender or the Strategic Process;

(l) Take all actions necessary or available to defend the Court Orders from any appeal, reversal, modifications, amendment, stay or vacating to the extent that it would materially affect the rights and interests of the DIP Lender or the Strategic Process;

(m) Comply with the DIP Budget subject to the Permitted Variance;

(n) Promptly provide notice to the DIP Lender and its counsel, and keep them otherwise apprised, of any material developments in respect of any material contract and of any material notices, orders, decisions, letters, or other documents, materials, information or correspondence received from any regulatory authority having jurisdiction over the Borrower, in each case, excluding any relating to the Borrower's conduct of the Existing Litigation;

(o) At all times maintain adequate insurance coverage as is customary in the same or similar business of such type, in such amounts and against such risks as is prudent for a business of its nature with financially sound and reputable insurers and that contain reasonable coverage and scope;

(p) Pay all DIP Lender's costs and expenses no less frequently than every two weeks following the delivery of a redacted invoice to the Borrower, provided that the DIP Lender shall provide reasonable estimates of such expenses for purposes of the DIP Budget;

(q) Promptly upon becoming aware thereof, provide details of the following (other than as relates to the Existing Litigation) to the DIP Lender: (i) any pending, or threatened claims, potential claims, litigation, actions, suits, arbitrations, other proceedings or notices received in respect of same, against the Borrower, by or before any court, tribunal, Governmental Authority or regulatory body, which would be reasonably likely to result, individually or in the aggregate, in a judgment in excess of **[$250,000]**, to the extent not stayed by the Court Orders, and (ii) any default or dispute with respect to any of its material contracts, to the extent enforcement thereof is not stayed by the Court Orders;

(r) The Borrower shall achieve the following milestones (the "**Milestones**") by the dates set out below (or such later dates as may be consented to by the DIP Lender, acting reasonably):

(i) the Strategic Process Order shall have been entered on or before the date which is 14 days following the final resolution of the Existing Litigation **[NTD: Time frame is meant to urge the process to be concluded as expeditiously as possible after resolution of the litigation]**;

(ii) a Court Order approving the Successful Bid pursuant to the Strategic Process shall have been entered on or before the date that is 60 days following the entry of the Strategic Process Order; and

(iii) the transaction contemplated by the Successful Bid shall be implemented on or before the date that is 90 days following the entry of the Strategic Process Order.

18. NEGATIVE COVENANTS: The Borrower covenants and agrees not to do, or cause not to be done, the following, other than with the prior written consent of the DIP Lender:

(a) Transfer, lease or dispose of all or any material part of its property, assets or undertaking outside of the ordinary course of business, except such asset sales or dispositions as are permitted pursuant to the Amended and Restated Initial Order or other Court Order;

(b) Make any payment, including, without limitation, any payment of principal, interest or fees, in respect of pre-filing indebtedness, or in respect of any other pre-filing liabilities, other such amounts as are permitted to be paid pursuant to the Amended and Restated Initial Order or other Court Order and provided that the aggregate amount of all such pre-filing amounts shall not exceed the amount set out in the DIP Budget;

(c) Create or permit to exist any indebtedness other than (A) the indebtedness existing as of the date hereof, (B) the DIP Financing Obligations and (C) post-filing trade payables or other unsecured obligations incurred in the ordinary course of business in accordance with the DIP Budget (subject to the Permitted Variance);

(d) Make any distribution, dividend, return of capital or other distribution in respect of, or any redemption of, equity securities (in cash, securities or other property or otherwise);

(e) (i) Enter into, renew, amend or modify any transaction or contractual relationship with any related party or (ii) make any payment with respect to, or perform any obligation under, an agreement with a related party other than in accordance with the DIP Budget;

(f) Make any loans, advances, financial assistance, capital contribution, investments or acquisitions whether direct or indirect, other than as reflected in the DIP Budget;

(g) Pay, incur any obligation to pay, or establish any retainer with respect to, the fees, expenses or disbursements of legal, financial or other advisor of any party unless such fees, expenses or disbursements, as applicable, are reviewed and confirmed in advance by the DIP Lender, except for (i) fees, expenses and disbursements of the Monitor and its legal counsel, (ii) fees, expenses and disbursements of the legal counsel (and other advisors) retained by Borrower in connection with the conduct of the Existing Litigation, which fees, expenses and disbursements shall be incurred in accordance with the DIP Budget, and (iii) fees, expenses and disbursements of the legal, financial and other advisors of the DIP Lender set out in Section 7 hereof;

(h) Create or permit to exist any Liens on any of its properties or assets other than the Permitted Liens;

(i) Challenge or fail to support the Liens and claims of the DIP Lender;

(j) Make any payments or expenditures (including capital expenditures) other than in accordance with the DIP Budget (subject to the Permitted Variance);

(k) Terminate any material contract or amend any material contract in any material manner except (i) with the prior consent of the DIP Lender, acting reasonably or (ii) as a result of a Court Order made in connection with, or binding settlement of, the Existing Litigation;

(l) Seek to obtain, or consent to or fail to oppose a motion brought by any other Person for, approval by the Court of any transaction other than as part of the Strategic Process;

(m) Amalgamate, consolidate with or merge into or sell all or substantially all of its assets to another entity, or change its corporate or capital structure (including its organizational documents) or enter into any agreement committing to such actions except in connection with the Strategic Process;

(n) Seek, obtain, support, make or permit to be made any Court Order or any material change, amendment or modification to any Court Order affecting the DIP Lender, except with the prior written consent of the DIP Lender;

(o) Enter into any material settlement agreement or agree to any material settlement arrangements with any Governmental Authority or regulatory authority or in connection with any litigation, arbitration, other investigations, proceedings or disputes or other similar proceedings which are threatened or pending against any one of them (other than with respect to the Existing Litigation) without the prior written consent of the DIP Lender, or make any payments or repayments to customers, outside the ordinary course of business, other than those set out in the DIP Budget;

(p) Without the approval of the Court or the prior written consent of the DIP Lender in its sole discretion, cease to carry on its business or activities or any material component thereof as currently being conducted or modify or alter in any material manner the nature and type of its operations or business;

(q) Seek, or consent to the appointment of, a receiver or trustee in bankruptcy or any similar official in any jurisdiction;

(r) After the date hereof, purchase any additional insurance in respect of any director or officer of the Borrower, including any "tail" insurance, without the prior written consent of the DIP Lender;

(s) change any of its organizational documents, its name, fiscal year end or accounting standards;

(t) implement any key employee retention program, or seek to obtain, or consent to or fail to oppose a motion brought by any other Person for, approval by the Court of any charge in respect of any key employee retention program;

(u) execute any documents that would materially adversely affect the rights of the DIP Lender.

19. EVENTS OF DEFAULT:

The occurrence of any one or more of the following events shall constitute an event of default (each an "**Event of Default**") under this DIP Financing Term Sheet:

(a) Failure by the Borrower to pay: (i) principal, interest or other amounts within three (3) Business Days of such amounts becoming due under this DIP Financing Term Sheet; or (ii) costs and expenses of the DIP Lender in accordance with Section 7 hereof within ten (10) Business

Days of receiving an invoice therefor;

(b) Failure by the Borrower to (i) comply with the terms of the Strategic Process or any Court Order, (ii) meet any Milestone within **[three (3) Business Days]** of the date set out therefor in Section 17(r), (iii) deliver any Variance Report within three (3) days of the date set out therefor in Section 13 or (iv) perform or comply with any of the other covenants set out herein (other than as set out in paragraph (a) above or in items (i), (ii) and (iii) of this paragraph (b)) and such failure remains unremedied for ten (10) Business Days following receipt of notice thereof from the DIP Lender;

(c) Any representation or warranty by the Borrower made in this DIP Financing Term Sheet or any other DIP Document is or proves to be incorrect or misleading in any material respect as of the date made;

(d) Issuance of a Court Order: (i) dismissing the CCAA Proceedings or lifting the stay in the CCAA Proceedings to permit the enforcement of any security against the Borrower or the Collateral, the appointment of a receiver, interim receiver or similar official, an assignment in bankruptcy, or the making of a bankruptcy order against or in respect of the Borrower, in each case which order is not stayed pending appeal thereof, and other than in respect of a non-material asset not required for the operations of the Borrower's business; (ii) granting any other Lien in respect of the Collateral that is in priority to or pari passu with the DIP Lender Charge other than for any Permitted Priority Liens, or (iii) staying, reversing, vacating or otherwise modifying this DIP Financing Term Sheet, any other DIP Document or the DIP Lender Charge, in each case unless otherwise consented to by the DIP Lender;

(e) Unless consented to in writing by the DIP Lender, the expiry without further extension of the stay of proceedings provided for in the Amended and

Restated Initial Order;

(f) As at the date of any Variance Report, there shall exist a net negative variance (excluding in respect of legal fees and expenses relating to the Existing Litigation) from the DIP Budget in excess of 10% (the "**Permitted Variance**") on a cumulative basis since the beginning of the period covered by the first DIP Budget issued hereunder **[NTD: Prepared to consider language to provide comfort that material variances can not be caused by unilateral action of Ubiquiti]**; or

(g) The DIP Lender Charge shall cease to be a valid, perfected and enforceable superpriority Lien senior to all other Liens other than Permitted Priority Liens;

(h) The denial or repudiation by the Borrower of the legality, validity, binding nature or enforceability of this DIP Financing Term Sheet, any other DIP Document or the DIP Lender Charge.

20. REMEDIES:

Upon the occurrence of an Event of Default, the DIP Lender, may upon not less than five (5) days' prior written notice to the Borrower and the Monitor, and otherwise subject to the provisions of the Court Orders, declare the DIP Financing Obligations to be immediately due and payable and may thereafter, exercise any and all of its rights and remedies against the Borrower or the Collateral under or pursuant to this DIP Financing Term Sheet, the other DIP Documents and the DIP Lender Charge, including, without limitation:

(a) apply to a court for appointment of a receiver, receiver and manager or interim receiver, or for a bankruptcy order against the Borrower and for the appointment of a trustee in bankruptcy of the Borrower;

(b) set-off or consolidate any amounts then owing by the DIP Lender to the Borrower against the obligations of the Borrower to the DIP Lender (in its capacities as such) hereunder; and

(c) exercise all such other rights and remedies under Applicable Law.

21. INDEMNITY AND RELEASE:	The Borrower agrees to indemnify and hold harmless each of the DIP Lender, its affiliates and their respective directors, officers, employees, advisors and agents (all such persons and entities being referred to hereafter as "**Indemnified Persons**") from and against any and all actions, suits, proceedings, claims, losses, damages and liabilities of any kind or nature whatsoever (excluding indirect or consequential damages and claims for lost profits) which may be incurred by or asserted against any Indemnified Person as a result of or arising out of or in any way related to the DIP Facility, this DIP Financing Term Sheet or any other DIP Document and, upon demand, to pay and reimburse any Indemnified Person for any reasonable legal or other out-of-pocket expenses incurred in connection with investigating, defending or preparing to defend any such action, suit, proceeding or claim; provided, however, the Borrower shall not be obligated to indemnify any Indemnified Person against any loss, claim, damage, expense or liability (x) to the extent it resulted from the gross negligence, wilful misconduct or intentional breach of such Indemnified Person as finally determined by a court of competent jurisdiction, or (y) to the extent arising from any dispute solely among Indemnified Persons other than any claims arising out of any act or omission on the part of the Borrower. The Borrower shall not be responsible or liable to any Indemnified Person or any other person for consequential damages, loss of profits or punitive damages.
22. DIP LENDER'S APPROVALS:	Any consent, agreement, amendment, approval, waiver or instruction of the DIP Lender to be delivered hereunder, may be delivered by any written instrument, including by way of electronic mail, by counsel on behalf of the DIP Lender.
23. FURTHER ASSURANCES:	The Borrower shall, at its expense, from time to time do, execute and deliver, or will cause to be done, executed and delivered, all such further acts, documents and things as the DIP Lender may reasonably request for the purpose of giving effect to this DIP Financing Term Sheet, any other DIP Document and the DIP Lender Charge.

24. ENTIRE AGREEMENT; CONFLICT:	This DIP Financing Term Sheet together with the other DIP Documents, including any schedules thereto, constitute the entire agreement between the parties relating to the subject matter hereof.
25. AMENDMENTS, WAIVERS, ETC.:	No amendment of any provision of the DIP Documents shall be effective unless agreed to by the Borrower and the DIP Lender and, in the case of any material amendment, the Monitor. No waiver or delay on the part of the DIP Lender in exercising any right or privilege hereunder or under any other DIP Document will operate as a waiver hereof or thereof unless made in writing by the DIP Lender and delivered in accordance with the terms of this DIP Financing Term Sheet, and then such waiver shall be effective only in the specific instance and for the specific purpose given.
26. ASSIGNMENT:	The DIP Lender may, without notice or consent of the Borrower, assign this DIP Financing Term Sheet, the other DIP Documents and its rights and obligations hereunder or thereunder, in whole or in part, to any Person; provided that, if such assignment is to a Person that is not affiliated with the DIP Lender such assignment shall require the consent of the Borrower (not to be unreasonably withheld or delayed) unless an Event of Default has occurred and is continuing, in which case no such consent shall be required (subject in all cases to the assignee providing notice to the Borrower and the Monitor to confirm such assignment). Neither this DIP Financing Term Sheet, any other DIP Document nor any right or obligation hereunder or thereunder may be assigned by the Borrower.
27. TAXES:	All payments by the Borrower under the DIP Documents, including any payments required to be made from and after the exercise of any remedies available to the DIP Lender upon an Event of Default, shall be made free and clear of, and without reduction for or on account of, any present or future taxes, levies, imposts, duties, charges, fees, deductions or withholdings of any kind or nature whatsoever or any interest or penalties payable with respect thereto now or in the future imposed, levied, collected, withheld or assessed by any country or any political subdivision of any country (collectively "**Taxes**"); provided, however, that if any Taxes are required by Applicable Law to be withheld

(“**Withholding Taxes**”) from any amount payable to a DIP Lender under the DIP Documents, the amount so payable to such DIP Lender shall be increased to the extent necessary to yield to such DIP Lender on a net basis after payment of all Withholding Taxes, the amount payable under the DIP Documents at the rate or in the amount specified herein and the Borrower shall provide evidence satisfactory to such DIP Lender that the Taxes have been so withheld and remitted.

28. PRESS RELEASES:	The Borrower shall not issue any press releases naming the DIP Lender without such DIP Lender’s prior approval.
29. SEVERABILITY:	Any provision in this DIP Financing Term Sheet which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof or affecting the validity or enforceability of such provision in any other jurisdiction.
30. NO THIRD PARTY BENEFICIARY:	No person, other than the Borrower, the DIP Lender and the Indemnified Parties, is entitled to rely upon this DIP Financing Term Sheet or the other DIP Document and the parties expressly agree that this DIP Financing Term Sheet and the other DIP Document does not confer rights upon any other party.
31. COUNTERPARTS AND FACSIMILE SIGNATURES:	This DIP Financing Term Sheet may be executed in any number of counterparts and by facsimile or other electronic transmission including “pdf email”, each of which when executed and delivered shall be deemed to be an original, and all of which when taken together shall constitute one and the same instrument.
32. NOTICES:	Any notice, request or other communication hereunder to any of the parties shall be in writing and be well and sufficiently given if delivered personally or sent by electronic mail to the such Person at its address set out on its signature page hereof. Any such notice, request or other communication hereunder shall be concurrently sent to the Monitor and its counsel. Any such notice shall be deemed to be given and received when received, unless received after 5:00 Eastern Time or on a day other than a Business Day, in which case the notice shall be deemed to be received the next Business

Day.

33. GOVERNING LAW: This DIP Financing Term Sheet shall be governed by, and construed in accordance with, the laws of the Province of Ontario and the federal laws of Canada applicable therein.

[signature pages follow]

IN WITNESS HEREOF, the parties hereby execute this DIP Financing Term Sheet as at the date first above mentioned.

DIP LENDER:

UBIQUITI NETWORKS CANADA INC.

Per: ______________________________
Name:
Title:

Per: ______________________________
Name:
Title:
We have authority to bind the corporation.

BORROWER:

PERASO TECHNOLOGIES INC.

Per: ____

Name:

Title:

I have authority to bind the corporation.

SCHEDULE A

DEFINED TERMS

"**Administration Charge**" means an administration charge in an aggregate amount not to exceed Cdn.$725,000 which shall rank in priority to the DIP Lender Charge and the D&O Charge, pursuant to the Order.

"**Amended and Restated Initial Order**" means the amended and restated initial order of the Court issued June 12, 2020 in connection with the CCAA Proceedings, which among other things, expanded the Borrower's restructuring authority and the Monitor's ability to assist with the Borrower's restructuring efforts and extended the stay of proceedings to and including July 3, 2020 or such other date as determined by the Court.

"**Applicable Law**" means, in respect of any Person, property, transaction or event, all applicable laws, statutes, rules, by-laws and regulations and all applicable official directives, orders, judgments and decrees of any Governmental Authority having the force of law and binding on such Person.

"**Borrower**" has the meaning given thereto in the Recitals.

"**Business Day**" means any day other than a Saturday, Sunday or any other day in which banks in Toronto, Ontario **[or New York, New York]** are not open for business.

"**CCAA**" has the meaning given thereto in the Recitals.

"**CCAA Proceedings**" has the meaning given thereto in the Recitals.

"**Collateral**" means all of the Borrower's current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof.

"**Court**" has the meaning given thereto in the Recitals.

"**Court Order**" and "**Court Orders**" have the meanings given thereto in Section 17(f).

"**DIP Budget**" means the thirteen (13) week financial projections prepared by the Borrower covering the period commencing on the week beginning ●, 2020 and ending on the week ending ●, 2020, which shall be in form and substance reasonably acceptable to the DIP Lender, which financial projections may be amended from time to time in accordance with Section 13.

"**DIP Documents**" means, this DIP Financing Agreement, and all other instruments, agreements and documents from time to time executed and delivered to the DIP Lender in connection with the DIP Financing Agreement.

"**DIP Facility**" has the meaning given thereto in Section 4.

“**DIP Financing Obligations**” has the meaning given thereto in Section 9.

“**DIP Lender**” has the meaning given thereto in Section 2.

“**DIP Lender Charge**” has the meaning given thereto in Section 9(c).

“**DIP Order**” means the order of the Court approving the DIP Facility.

“**D&O Charge**” means a directors and officers liability charge in an amount not to exceed Cdn.$650,000 which shall rank behind the Administration Charge and the DIP Lender Charge, pursuant to the Amended and Restated Initial Order and DIP Order.

“**Event of Default**” has the meaning given thereto in Section 19.

“**Existing Litigation**” means, collectively, the “Licence Litigation” and the “Oppression Litigation”, as each term is defined in the Affidavit of Ronald Glibber sworn June 2, 2020 in support of the Borrower’s application for an initial CCAA order.

“**Facility Amount**” has the meaning given thereto in Section 4.

“**Filing Date**” means the date of commencement of the CCAA Proceedings.

“**Funding Conditions**” has the meaning given thereto in Section 9.

“**Governmental Authority**” means any federal, provincial, state, municipal, local or other government, governmental or public department, commission, board, bureau, agency or instrumentality, domestic or foreign and any subdivision, agent, commission, board or authority of any of the foregoing.

“**Indemnified Persons**” has the meaning given thereto in Section 21.

“**Liens**” means all liens, hypothecs, charges, mortgages, trusts, deemed trusts (statutory or otherwise), encumbrances and security interests of every kind and nature whatsoever.

“**Maturity Date**” has the meaning given thereto in Section 12.

“**Milestones**” has the meaning given thereto in Section 17(r).

“**Monitor**” means Ernst & Young Inc., in its capacity as the court-appointed monitor in the CCAA Proceedings pursuant to the Amended and Restated Initial Order.

“**Original Currency**” has the meaning given thereto in Section 15.

“**Other Currency**” has the meaning given thereto in Section 15.

“**Permitted Liens**” means (i) Permitted Priority Liens, (ii) the DIP Lender Charge, (iii) the D&O Charge, (iv) validly perfected Liens existing prior to the date hereof as in effect on the date hereof; and (v) inchoate statutory Liens arising after the Filing Date in respect of any accounts payable arising after the Filing Date in the ordinary course of business, subject to the obligation to pay all such amounts as and when due.

"**Permitted Priority Liens**" means the (i) the Administration Charge, (ii) Liens in respect of claims that are individually and in the aggregate immaterial, solely to the extent such Liens are not registered under a personal property registry system and (iii) any amounts payable by the Borrower for wages, vacation pay, employee deductions, sales tax, excise tax, tax payable pursuant to Part IX of the *Excise Tax Act* (Canada) (net of input credits), income tax and workers compensation claims, in the case of this item (iv) solely to the extent such amounts are given priority by Applicable Law and only to the extent that the priority of such amounts have not been subordinated to the DIP Lender Charge pursuant to the Court Orders.

"**Permitted Variance**" has the meaning given thereto in Section 19(f).

"**Person**" means an individual, partnership, corporation, business trust, joint stock company, limited liability company, unlimited liability company, trust, unincorporated association, joint venture, Governmental Authority or other entity of whatever nature.

"**Strategic Process**" means a Sales and Investment Solicitation Process in form and substance reasonably acceptable to the DIP Lender or its counsel, or in such amended form as is reasonably acceptable to the Borrower and the DIP Lender (or their respective counsel).

"**Strategic Process Order**" means an order of the Court approving the Strategic Process, in form and substance reasonably acceptable to the DIP Lender.

"**Subsequent Funding Conditions**" has the meaning given thereto in Section 10.

"**Successful Bid**" has the meaning given to such term in the Strategic Process.

"**Variance Report**" has the meaning given thereto in Section 14**.**

SCHEDULE B

INITIAL DIP BUDGET

See attached.

Exhibit 4

This is **EXHIBIT "4"** referred to in the Affidavit of T. CRAMER
SWORN before me by video conference this 30th day of June, 2020

A Commissioner for Taking Affidavits, etc.

CONCERNS OF UBIQUITI RE: ROADMAP DIP TERM SHEET

For the below reasons, Ubiquiti believes that the Roadmap DIP is improper, is not in the best interests of Peraso, and permits Roadmap to take greater control over Peraso.

Section of Roadmap DIP Term Sheet	**Text of Section (relevant text underlined)**	**Concern**
Section 8	**Permitted Use of Proceeds** The Borrower shall use proceeds of the DIP Facility solely for the following purposes and in the following order: (a) to pay the reasonable and documented financial advisory fees and expenses and the reasonable and documented legal fees and expenses of (i) the Borrower and (ii) the Monitor (as defined below) (it being acknowledged by the Borrower and the Lenders that those fees and expenses incurred to the date hereof are reasonable); (b) to pay all of the reasonable and documented fees and expenses (including the fees and expenses of their counsel and advisors) incurred by the Lenders in connection with, relating to or arising from the CCAA Proceeding (including preparation for, and attendance at, the Court from time to time), due diligence, negotiation and documentation of this Agreement, whether incurred prior to or after the date of the Initial Order, as well as all expenses of the Lenders in connection with the ongoing monitoring, maintenance, interpretation and administration of the DIP Facility and the enforcement of any of rights of the Lenders including pursuant to this Agreement; to pay the interest owing to the Lenders under this Agreement; and	Section 8 permits Roadmap and/or XCom to recover all costs "*in connection with, relating to or arising from the CCAA Proceeding (including preparation for, and attendance at, the Court from time to time)*", both prior to and after the Initial Order. Thus, the estate could be paying for the fees of a shareholder, or to fund the acquisition of Peraso by one or both of these parties. Peraso should only be required to pay for expenses in connection with the DIP facility.

	(c) to fund the Borrower's (i) working capital and (ii) other general corporate purposes. For greater certainty, the Borrower may not use the proceeds of the DIP Facility to pay any of its pre-filing obligations without the prior written consent of the Lenders; it being agreed by the Lenders that the Lenders' consent is not required for the Borrower to pay, (i) pre-filing amounts permitted pursuant to the Initial Order, (ii) amounts due to trade creditors in the ordinary course of business, and (iii) Taxes (as defined below), accrued payroll and other ordinary course liabilities.	
Section 12(h)	**Conditions to Advance** The Lenders' agreement to make the advances available to the Borrower under this Agreement <u>shall be subject to satisfaction of the following</u> conditions precedent (the "Funding Conditions"): (h) All documented expenses (including all documented legal and professional fees and expenses on a full indemnity basis) of the Lenders <u>incurred in connection with their prefiling claims</u> and/or the DIP Facility <u>shall have been paid in full</u> (which documented expenses shall be deducted from the advance of the Facility Amount);	Same comment as above.
Section 13	**Costs and Expenses** <u>The Borrower will reimburse the Lenders</u>, without duplication: (i) up to and including the Filing Date for all reasonable and documented out-of-pocket expenses (including reasonable and documented legal and professional fees and expenses on a full indemnity basis) in connection with the negotiation and development of this Agreement and (ii) <u>for all reasonable and documented out-of pocket expenses</u> (including reasonable and documented legal and professional fees and expenses on a full indemnity basis) <u>in connection with the CCAA Proceedings</u>, including due diligence, review and	Same comment as above.

	negotiation of filing materials, negotiation and documentation of this Agreement and related documentation and the on-going monitoring and administration of each and the enforcement of the Lenders Charge and any other security for the Financing Obligations. All such reasonable and documented out-of-pocket expenses (including reasonable and documented legal and professional fees and expenses on a full indemnity basis) of the Lenders under paragraph (ii) above shall be included in the Financing Obligations and secured by the Lenders Charge.	
Sections 19(g), (h), (j)	**Affirmative Covenants** The Borrower covenants and agrees from the date of execution of this Agreement and while the DIP Facility remains outstanding, that it will: (g) <u>notify the Lenders of any material events</u>, including without limitation any Default or Event of Default, Material Adverse Change, <u>pending or threatened claims, proceeding, litigation or actions, any material developments in any Material Contract</u>; (h) <u>notify the Lenders promptly of all material developments with respect to the business affairs of the Borrower, the litigation matters involving the Borrower and Ubiquiti Inc. or its affiliates</u> and the CCAA Proceedings, including providing draft copies of all motions, applications, proposed orders or other materials or documents that the Borrower intends to file in the CCAA Proceedings; (j) <u>preserve, maintain, and renew all Material Contracts, licenses and permits</u>;	Sections 19(g) and (h) require Peraso to notify the Lenders of all material developments in the litigation, regardless of confidentiality obligations in the mediation. Section 19(j) requires Peraso to preserve, maintain, and renew all Material Contracts. This could prevent Peraso from engaging meaningful negotiations with Ubiquiti to settle the litigation. To the extent that the licence and development agreement with XCom may have been entered into in violation of the Ubiquiti Licence Agreement, it may not be maintained and it would undoubtedly be a Material Contract to the lenders.
Sections 20(i), (n), (o)	**Negative Covenants**	Section 20(i) prohibits the transfer, lease, or disposal by Peraso of any part of its property or assets outside the ordinary course. This could limit what Peraso is able

	The Borrower covenants and agrees not to do the following, from the date of execution of this Agreement and while the DIP Facility remains outstanding without the Lenders' written consent: (i) <u>transfer, lease or otherwise dispose of all or any part of its property, assets or undertaking outside of the ordinary course of business</u>, except for the disposition of obsolete or worn out equipment or assets consistent with past practice; (n) <u>enter into any new agreements, transactions or arrangements with other parties outside of the ordinary course</u> of business that may result in a Material Adverse Change vis-à-vis the Lenders; (o) <u>seek, obtain or support any other restructuring transaction without the prior written consent of the Lenders</u> that may result in a Material Adverse Change vis-à-vis the Lenders.	to discuss in a mediation or potential settlement with Ubiquiti. Section 20(n) would likely prevent Peraso from entering into any settlement agreement with Ubiquiti, as it is likely the DIP lenders would consider that both out of the ordinary course of business and a transaction which may materially adversely affect them, especially if the XCom agreement must be invalidated. This provision could give the DIP lenders a functional veto on any settlement. Section 20(o) prevents Peraso from seeking, obtaining, or supporting "*any other restructuring transaction*" without the Lenders' consent. This language begs the question whether there is already a "restructuring transaction" which Peraso has committed itself to. If the true goal is a Phase 1 DIP which is not intended to fund a strategic process, this language should not be included.
Section 21(i)	**Events of Default** The occurrence of <u>any one or more of the following events shall constitute an event of default</u> (each, an "Event of Default") under this Agreement: (i) <u>any proceeding, motion or application is commenced or filed by the Borrower, or if commenced by another party, is supported, remains unopposed or otherwise consented to by the Borrower,</u>	As noted above, if this is a Phase 1 DIP rather than a strategic process, why is this provision in the agreement? There must be a transaction which the DIP lenders have in mind, or they would not use the "Alternate Transaction" language.

	seeking the approval of any Alternative Transaction that is not otherwise approved in writing by the Lenders;	
Section 23	**Indemnification** The Borrower agrees to indemnify and hold harmless the Lenders, their affiliates and their officers, directors, shareholders, employees, agents and advisors (each, an "Indemnified Person") from and against any and all suits, actions, proceedings, orders, claims, damages, losses, liabilities and expenses (including reasonable legal fees and disbursements and other costs of investigation or defence, including those incurred upon any appeal) that may be instituted or asserted against or incurred by any such Indemnified Person as a result of or in connection with credit having been extended, suspended or terminated under or in relation to the DIP Facility or the use of the proceeds thereof and the administration of such credit, and in connection with or arising out of the transactions contemplated hereunder and any actions or failure to act in connection therewith including the taking of any enforcement actions by the Lenders and including any and all environmental liabilities and reasonable legal costs and expenses arising out of or incurred in connection with disputes between or among the Borrower and Lenders; provided that such indemnity will not, as to any Indemnified Person, be available to the extent that such losses, claims, damages, liabilities or related expenses are determined by a court of competent jurisdiction by final and non-appealable judgment to have resulted from the gross or intentional fault of such Indemnified Person. All such indemnified amounts, if not immediately paid by the Borrower upon demand, will be secured by the Lenders Charge.	Section 23 indemnifies the Lenders for, *inter alia*, losses and damages flowing from the Roadmap DIP and "*in connection with or arising out of the transactions contemplated hereunder*". An indemnity limited to matters solely related to the DIP may be appropriate, but the language in italics must be removed, particularly given the implication of other provisions that there is another transaction afoot between Peraso and the DIP lenders or one of them.
Section 32	The Lenders may assign this Agreement and their rights and obligations hereunder, in whole or in part, or grant a participation in their respective rights and obligations hereunder to any party acceptable to the Lenders in their sole and absolute discretion without notice to or consent from the	Section 32 allows the Lenders to assign the Roadmap DIP to any party without notice to or consent of either Peraso or the Monitor. This unfettered assignment right is odd given Peraso's stated concerns with the "bona fides" of prospective DIP

	Borrower. Neither this Agreement nor any right or obligation hereunder may be assigned by the Borrower.	lenders. Further, the ability to assign a Court ordered charge of this nature should be limited and the Monitor should be involved and satisfied that the assignment is appropriate.

Court File No.: CV-20-00642010-00CL

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, C. c-36, AS AMENDED
AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF PERASO TECHNOLOGIES INC.

Applicant

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
Proceeding commenced at Toronto

AFFIDAVIT OF TODD CRAMER
(Sworn June 30, 2020)

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