INSIDER TRADING COMPLIANCE MANUAL

Pareteum Corporation

Amended and adopted March 10, 2011

In order to take an active role in the prevention of insider trading violations by its officers, directors, employees, consultants, attorneys, advisors and other related individuals, the Board of Directors (the "**Board**") of Pareteum Corporation, a Delaware corporation (the "**Company**") has adopted the policies and procedures described in this Insider Trading Compliance Manual.

I. Adoption of Insider Trading Policy.

Effective as of the date written above, the Company has adopted the amended Insider Trading Policy attached hereto as Exhibit A (the "**Policy**"), which prohibits trading based on material, nonpublic information regarding the Company ("**Inside Information**"). The Policy covers all officers and directors of the Company, all other employees of the Company and its subsidiaries, all secretaries and assistants supporting such directors and consultants or contractors to the Company or its subsidiaries who have or may have access to Inside Information and members of the immediate family or household of any such person. The Policy (and/or a summary thereof) is to be delivered to all new employees, consultants and related individuals who are within the categories of covered persons upon the commencement of their relationships with the Company, and is to be circulated to all covered personnel at least annually.

II. Designation of Certain Persons.

A. Section 16 Individuals. All directors and executive officers of the Company are subject to the reporting and liability provisions of Section 16 of the Securities Exchange Act of 1934, as amended (the "**Exchange Act**") and the rules and regulations promulgated thereunder ("**Section 16 Individuals**"). Attached hereto as Exhibit B is a separate memorandum which discusses the relevant terms of Section 16.

B. Other Persons Subject to Policy. In addition, certain employees, consultants, and advisors of the Company as described in Section I above have, or are likely to have, from time to time access to Inside Information and together with the Section 16 Individuals, are subject to the Policy, including the pre-clearance requirement described in Section IVA below.

III. Appointment of Compliance and Chief Ethics Officer.

The Company has appointed Alexander Korff, as the Company's Insider Trading Compliance and Chief Ethics Officer (the "**Compliance Officer**").

IV. Duties of Compliance Officer.

The Compliance Officer has been designated by the Board to handle any and all matters relating to the Company's Insider Trading Compliance Program. Certain of those duties may be delegated to outside counsel with special expertise in securities issues and relevant law. The duties of the Compliance Officer shall include the following:

A. Pre-clearing all transactions involving the Company's securities by the Section 16 Individuals and those individuals having regular access to Inside Information, defined for these purposes to include employees of the Company and its subsidiaries, all secretaries and assistants supporting such directors, officers and employees, and consultants or contractors to the Company or its subsidiaries who have or may have access to Inside Information and members of the immediate family or household of any such person, in order to determine compliance with the Policy, insider trading laws, Section 16 of the Exchange Act and Rule 144 promulgated under the Securities Act of 1933, as amended. Attached hereto as Exhibit C is a Pre-Clearance Checklist to assist the Compliance Officer's performance of this duty.

B. Assisting in the preparation and filing of Section 16 reports (Forms 3, 4 and 5) for all Section 16 Individuals.

C. Serving as the designated recipient at the Company of copies of reports filed with the Securities and Exchange Commission ("**SEC**") by Section 16 Individuals under Section 16 of the Exchange Act.

D. Performing periodic reviews of available materials, which may include Forms 3, 4 and 5, Form 144, officers and director's questionnaires, and reports received from the Company's stock administrator and transfer agent, to determine trading activity by officers, directors and others who have, or may have, access to Inside Information.

E. Circulating the Policy (and/or a summary thereof) to all covered employees, including Section 16 Individuals, on an annual basis, and providing the Policy and other appropriate materials to new officers, directors and others who have, or may have, access to Inside Information.

F. Assisting the Board of Directors in implementation of the Policy and Sections I and II of this memorandum.

G. Coordinating with Company counsel regarding all securities compliance matters.

H. Retaining copies of all appropriate securities reports, and maintaining records of his activities as Compliance Officer.

ACKNOWLEDGMENT

I hereby acknowledge that I have received a copy of Pareteum Corporation's **Insider Trading Compliance Manual** (the "**Insider Trading Manual**"). Further, I certify that I have reviewed the Insider Trading Manual, understand the policies and procedures contained therein and agree to be bound by and adhere to theses policies and procedures.

Dated: _____ _____

Signature
Name:

Exhibit A

Pareteum Corporation

INSIDER TRADING POLICY

and Guidelines with Respect to Certain Transactions in Company Securities

APPLICABILITY OF POLICY

This Policy applies to all transactions in the Company's securities, including common stock, options and warrants to purchase common stock and any other securities the Company may issue from time to time, such as preferred stock, warrants and convertible debentures, as well as to derivative securities relating to the Company's stock, whether or not issued by the Company, such as exchange-traded options. It applies to all officers and directors of the Company, all other employees of the Company and its subsidiaries, all secretaries and assistants supporting such directors, officers and employees, and consultants or contractors to the Company or its subsidiaries who have or may have access to Material Nonpublic Information (as defined below) regarding the Company and members of the immediate family or household of any such person. This group of people is sometimes referred to in this Policy as "Insiders". This Policy also applies to any person who receives Material Nonpublic Information from any Insider.

Any person who possesses Material Nonpublic Information regarding the Company is an Insider for so long as such information is not publicly known.

DEFINITION OF MATERIAL NONPUBLIC INFORMATION

It is not possible to define all categories of material information. However, information should be regarded as material if there is a reasonable likelihood that it would be considered important to an investor in making an investment decision regarding the purchase or sale of the Company's securities. Nonpublic information is information that has not been previously disclosed to the general public and is otherwise not available to the general public.

While it may be difficult to determine whether particular information is material, there are various categories of information that are particularly sensitive and, as a general rule, should always be considered material. In addition, material information may be positive or negative. Examples of such information may include:

- Financial results
- Intellectual property and other proprietary information
- Projections of future earnings or losses
- Major contract awards, cancellations or write-offs
- Joint ventures/ commercial partnerships with third parties
- Research milestones
- News of a pending or proposed merger or acquisition
- News of the disposition of material assets

- Impending bankruptcy or financial liquidity problems
- Gain or loss of a substantial customer or supplier
- New product announcements of a significant nature
- Significant pricing changes
- Stock splits
- New equity or debt offerings
- Significant litigation exposure due to actual or threatened litigation
- Changes in senior management
- Capital investment plans
- Changes in dividend policy

CERTAIN EXCEPTIONS

For purposes of this Policy, the Company considers that the exercise of stock options for cash under the Company's stock option plan (but not the sale of any such shares) is exempt from this Policy, since the other party to the transaction is the Company itself and the price does not vary with the market but is fixed by the terms of the option agreement or the plan.

STATEMENT OF POLICY

General Policy

It is the policy of the Company to prohibit the unauthorized disclosure of any nonpublic information acquired in the workplace and the misuse of Material Nonpublic Information in securities trading.

Specific Policies

1. Trading on Material Nonpublic Information. With certain exceptions, no officer or director of the Company, no employee of the Company or its subsidiaries and no consultant or contractor to the Company or any of its subsidiaries and no members of the immediate family or household of any such person, shall engage in any transaction involving a purchase or sale of the Company's securities, including any offer to purchase or offer to sell, during any period commencing with the date that he or she possesses Material Nonpublic Information concerning the Company, and ending at the close of business on the second Trading Day following the date of public disclosure of that information, or at such time as such nonpublic information is no longer material. However, see Section 2 under "Permitted Trading Period" below for a full discussion of trading pursuant to a pre-established plan or by delegation.

As used herein, the term "Trading Day" shall mean a day on which national stock exchanges including the Over the Counter Bulletin Board, are open for trading.

2. Tipping. No Insider shall disclose ("**tip**") Material Nonpublic Information to any other person (including family members) where such information may be used by such person to his or her profit by trading in the securities of companies to which such information relates, nor shall

such Insider or related person make recommendations or express opinions on the basis of Material Nonpublic Information as to trading in the Company's securities.

Regulation FD (Fair Disclosure) is an issuer disclosure rule implemented by the SEC that addresses selective disclosure. The regulation provides that when the Company, or person acting on its behalf, discloses material nonpublic information to certain enumerated persons (in general, securities market professionals and holders of the Company's securities who may well trade on the basis of the information), it must make public disclosure of that information. The timing of the required public disclosure depends on whether the selective disclosure was intentional or unintentional; for an intentional selective disclosure, the Company must make public disclosures simultaneously; for a non-intentional disclosure the Company must make public disclosure promptly. Under the regulation, the required public disclosure may be made by filing or furnishing a Form 8-K, or by another method or combination of methods that is reasonably designed to effect broad, non-exclusionary distribution of the information to the public.

It is the policy of the Company that all communications with the press be handled through our CEO or public relations firm. Please refer all press, analyst or similar request for information to the Company's CEO and do not respond to any inquiries without prior authorization from the Company's CEO. If the CEO is unavailable, the Company's CFO will fill this role.

3. Confidentiality of Nonpublic Information. Nonpublic information relating to the Company is the property of the Company and the unauthorized disclosure of such information (including, without limitation, via email or by posting on Internet message boards or blogs) is strictly forbidden.

4. Duty to Report Inappropriate and Irregular Conduct. All employees, and particularly managers and/or supervisors, have a responsibility for maintaining financial integrity within the company, consistent with generally accepted accounting principles and both federal and state securities laws. Any employee, who becomes aware of any incidents involving financial or accounting manipulation or irregularities, whether by witnessing the incident or being told of it, must report it to their immediate supervisor and to the Company's Audit Committee. In certain instances, employees are allowed to participate in federal or state proceedings. For a more complete understanding of this issue, employees should consult their employee manual and or seek the advice of counsel. Our general corporate and securities counsel is Alexander Korff email: alexander.korff@pareteum.com.

POTENTIAL CRIMINAL AND CIVIL LIABILITY AND/OR DISCIPLINARY ACTION

1. Liability for Insider Trading. Insiders may be subject to penalties of up to $1,000,000 and up to ten (10) years in jail for engaging in transactions in the Company's securities at a time when they possess Material Nonpublic Information regarding the Company. In addition, the SEC has the authority to seek a civil monetary penalty of up to three times the amount of profit gained or loss avoided by illegal insider trading. "Profit gained" or "loss avoided" generally means the difference between the purchase or sale price of the Company's stock and its value as measured

by the trading price of the stock a reasonable period after public dissemination of the nonpublic information.

2. Liability for Tipping. Insiders may also be liable for improper transactions by any person (commonly referred to as a "tippee") to whom they have disclosed Material Nonpublic Information regarding the Company or to whom they have made recommendations or expressed opinions on the basis of such information as to trading in the Company's securities. The SEC has imposed large penalties even when the disclosing person did not profit from the trading. The SEC, the stock exchanges and the Financial Industry Regulatory Authority use sophisticated electronic surveillance techniques to monitor and uncover insider trading.

3. Possible Disciplinary Actions. Individuals subject to the Policy who violate this Policy shall also be subject to disciplinary action by the Company, which may include suspension, forfeiture of perquisites, ineligibility for future participation in the Company's equity incentive plans and/or termination of employment.

PERMITTED TRADING PERIOD

1. Black-Out Period and Trading Window.

To ensure compliance with this Policy and applicable federal and state securities laws, the Company requires that all officers and directors, members of the immediate family or household of any such person and others who are subject to this Policy refrain from conducting any transactions involving the purchase or sale of the Company's securities, other than during the period in any fiscal quarter commencing at the close of business on the second Trading Day following the date of public disclosure of the financial results for the prior fiscal quarter or year and ending on the twenty-fifth day of the third month of the fiscal quarter (the "**Trading Window**"). If such public disclosure occurs on a Trading Day before the markets close, then such date of disclosure shall be considered the first Trading Day following such public disclosure.

The safest period for trading in the Company's securities, assuming the absence of Material Nonpublic Information, is generally the first ten Trading Days of the Trading Window. It is the Company's policy that the period when the Trading Window is "closed" is a particularly sensitive periods of time for transactions in the Company's securities from the perspective of compliance with applicable securities laws. This is because officers, directors and certain other employees will, as any quarter progresses, are increasingly likely to possess Material Nonpublic Information about the expected financial results for the quarter. The purpose of the Trading Window is to avoid any unlawful or improper transactions or even the appearance of any such transactions.

It should be noted that even during the Trading Window any person possessing Material Nonpublic Information concerning the Company shall not engage in any transactions in the Company's securities until such information has been known publicly for at least two Trading Days. The Company has adopted the policy of delaying trading for "at least two Trading Days" because the securities laws require that the public be informed effectively of previously undisclosed material information before Insiders trade in the Company's stock. Public disclosure may occur through a

widely disseminated press release or through filings, such as Forms 10-Q and 8-K, with the SEC. Furthermore, in order for the public to be effectively informed, the public must be given time to evaluate the information disclosed by the Company. Although the amount of time necessary for the public to evaluate the information may vary depending on the complexity of the information, generally two Trading Days is a sufficient period of time.

From time to time, the Company may also require that directors, officers, selected employees and others suspend trading because of developments known to the Company and not yet disclosed to the public. In such event, such persons may not engage in any transaction involving the purchase or sale of the Company's securities during such period and may not disclose to others the fact of such suspension of trading.

Although the Company may from time to time require during a Trading Window that directors, officers, selected employees and others suspend trading because of developments known to the Company and not yet disclosed to the public, ***each person is individually responsible at all times for compliance with the prohibitions against insider trading. Trading in the Company's securities during the Trading Window should <u>not</u> be considered a "safe harbor," and all directors, officers and other persons should use good judgment at all times.***

Notwithstanding these general rules, Insiders may trade <u>outside</u> of the Trading Window provided that such trades are made pursuant to a pre-established plan or by delegation; these alternatives are discussed in the next section.

2. Trading According to a Pre-established Plan or by Delegation.

Trading which is not "on the basis of" material non-public information may not give rise to insider trading liability. The SEC has adopted Rule 10b5-1 under which insider trading liability can be avoided if Insiders follow very specific procedures. In general, such procedures involve trading according to pre-established instructions (a "**Pre-established Trade**").

Pre-established Trades must:

(a) Be documented by a contract, written plan, or formal instruction which provides that the trade take place in the future. For example, an Insider can contract to sell his or her shares on a specific date, or simply delegate such decisions to an investment manager, 401(k) plan administrator or similar third party. This documentation must be provided to the Company's Insider Trading Compliance Officer;

(b) Include in its documentation the specific amount, price and timing of the trade, or the formula for determining the amount, price and timing. For example, the Insider can buy or sell shares in a specific amount and on a specific date each month, or according to a pre-established percentage (of the Insider's salary, for example) each time that the share price falls or rises to pre-established levels. In the

case where trading decisions have been delegated, the specific amount, price and timing need not be provided;

(c) Be implemented at a time when the Insider does not possess material non-public information. As a practical matter, this means that the Insider may set up Pre-established Trades, or delegate trading discretion, only during a "Trading Window" (discussed in Section 1, above); and,

(d) Remain beyond the scope of the Insider's influence after implementation. In general, the Insider must allow the Pre-established Trade to be executed without changes to the accompanying instructions, and the Insider cannot later execute a hedge transaction that modifies the effect of the Pre-established Trade. An Insider wishing to change the amount, price or timing of a Pre-established Trade, or terminate a Pre-established Trade, can do so only during a "Trading Window" (discussed in Section 1, above). If the Insider has delegated decision-making authority to a third party, the Insider cannot subsequently influence the third party in any way and such third party must not possess material non-public information at the time of any of the trades.

Prior to implementing a pre-established plan for trading, all officers and directors must receive the approval for such plan from the Company's Insider Trading Compliance Officer.

3. Pre-Clearance of Trades.

Even during a Trading Window, all officers and directors of the Company, as well as members of the immediate family or household of such officers and directors, must comply with the Company's "pre-clearance" process prior to trading in the Company's securities, implementing a pre-established plan for trading, or delegating decision-making authority over the Insider's trades. To do so, each officer and director must contact the Company's Insider Trading Compliance Officer prior to initiating any of these actions. The Company may also find it necessary, from time to time, to require compliance with the pre-clearance process from certain employees, consultants and contractors, other than and in addition to officers and directors.

4. Individual Responsibility.

As Insiders, every person subject to this Policy has the individual responsibility to comply with this Policy against insider trading, regardless of whether the Company has established a Trading Window or pre-clearance procedure applicable to that Insider or any other Insiders of the Company. Each individual, and not necessarily the Company, is responsible for his or her own actions and will be individually responsible for the consequences of their actions. Therefore, appropriate judgment, diligence and caution should be exercised in connection with any trade in the Company's securities. An Insider may, from time to time, have to forego a proposed transaction in the Company's securities even if he or she planned to make the transaction before learning of the Material Nonpublic Information and even though the Insider believes he or she may suffer an economic loss or forego anticipated profit by waiting.

5. Exceptions to the Policy.

Any exceptions to this Policy may only be made by advance written approval of each of: (i) the Company's President, (ii) the Compliance Officer and (iii) the Nominating and Corporate Governance Committee of the Company's Board of Directors. Any such exceptions shall be immediately reported to the remaining members of the Board of Directors.

APPLICABILITY OF POLICY TO INSIDE INFORMATION REGARDING OTHER COMPANIES

This Policy and the guidelines described herein also apply to Material Nonpublic Information relating to other companies, including the Company's customers, vendors or suppliers ("**business partners**"), when that information is obtained in the course of employment with, or other services performed on behalf of the Company. Civil and criminal penalties, as well as termination of employment, may result from trading on inside information regarding the Company's business partners. All employees should treat Material Nonpublic Information about the Company's business partners with the same care as is required with respect to information relating directly to the Company.

PROHIBITION AGAINST BUYING AND SELLING COMPANY COMMON STOCK WITHIN A SIX-MONTH PERIOD
Directors, Officers and 10% Shareholders

Purchases and sales (or sales and purchases) of Company common stock occurring within any six-month period in which a mathematical profit is realized result in illegal "short-swing profits." The prohibition against short-swing profits is found in Section 16 of the Exchange Act. Section 16 was drafted as a rather arbitrary prohibition against profitable "insider trading" in a company's securities within any six-month period regardless of the presence or absence of material nonpublic information that may affect the market price of those securities. Each executive officer, director and 10% shareholder of the Company is subject to the prohibition against short-swing profits under Section 16. Such persons are required to file Forms 3, 4 and 5 reports reporting his or her initial ownership of the Company's common stock and any subsequent changes in such ownership. The Sarbanes-Oxley Act of 2002 requires officers and directors ("insiders") who must report transactions on Form 4 to do so by the end of the second business day following the transaction date. The effective date for the change is for filings after August 29, 2002. Profit realized, for the purposes of Section 16, is calculated generally to provide maximum recovery by the Company. The measure of damages is the profit computed from any purchase and sale or any sale and purchase within the short-swing (i.e., six-month) period, without regard to any setoffs for losses, any first-in or first-out rules, or the identity of the shares of common stock. This approach sometimes has been called the "lowest price in, highest price out" rule.

INQUIRIES

Please direct your questions as to any of the matters discussed in this Policy to the Company's Insider Trading Compliance Officer.

Exhibit B

Section 16 Memorandum

To: All Officer, Directors and 10% Shareholders ("Section 16 Individuals")

Re: Overview of Section 16 Under the Exchange Act of 1934, as amended

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A. Introduction.

This Memorandum provides an overview of Section 16 of the Exchange Act of 1934, as amended (the "**Exchange Act**"), and the related rules promulgated by the SEC.

Each executive officer, director and 10% shareholder (commonly called an "Insider") of Pareteum Corporation (the "Company") is personally responsible for complying with the provision of Section 16, and failure to of an Insider to comply strictly with his or her reporting provision will result in obligations on the part of the Company to publicly disclose such failure. Moreover, Congress has granted to the SEC authority to seek monetary court-imposed fines on Insiders who fail to timely comply with their reporting obligations.

Section 16(a) of the Exchange Act provides that insiders of a corporation with a class of securities registered under Section 12 of the Exchange Act (i) must file an initial report of their beneficial ownership of equity securities of the corporation (including derivative securities such as options, warrants and stock appreciation rights) as of the later of the date on which the corporation becomes subject to Section 12 of the Exchange Act or ten days after the date they attain insider status, and (ii) must report subsequent changes in their beneficial ownership of equity and derivative securities of the corporation. Section 16(b) provides that insiders are liable to the corporation for any profits made on six-month short-swing transactions in the corporation's securities. Section 16(c) prohibits insiders from engaging in both traditional short sales of the corporation's securities and certain other transactions that are economically or functionally equivalent to a short sale.

B. Reporting Requirements Under Section 16(a).

1. ***General.*** An Insider must disclose his or her holdings at the time he or she attains insider status and must disclose all subsequent changes in such holdings during the time the individual is an Insider (and, in certain circumstances, for up to six months after the individual ceases to be an Insider). Disclosure is made on one of three forms: the Initial Statement of Beneficial Ownership of Securities on Form 3; the Statement of Changes in Beneficial Ownership of Securities on Form 4; and the Annual Statement of Changes in Beneficial Ownership of Securities on Form 5.

2. ***Method of Filing.***

(a) SEC. Forms are filed via EDGAR. At least one of these copies must be manually signed by the Insider (or by an attorney-in-fact appointed by the Insider, if the power of

attorney is filed with the SEC); however a facsimile copy of the executed form may be provided. Facsimile signatures are allowed. Furthermore, the Sarbanes-Oxley Act mandates that all Form 4s must be filed electronically by August of 2003.

(b) Exchanges. One manually signed copy of each applicable Form must also be filed with each securities exchange on which any class of equity security of the Company is listed and registered, unless the Company has designated a single exchange to receive all Section 16 filings, in which case the copy should be filed with that exchange only.

(c) NASDAQ. If the Company's securities are not listed on an exchange but are quoted on the Nasdaq Stock Market, three copies of the applicable Form should be sent to The Nasdaq Stock Market, Market Surveillance Department, 1735 K Street N.W., Washington, D.C. 10006. Such filing is not required by the rules under Section 16 but is required by the agreement between the Nasdaq Stock Market and a company whose securities are quoted on the Nasdaq Stock Market.

(d) Company. In addition, the rules under Section 16 require that a copy of the applicable Form be sent to the person at the Company designated by the Company to receive such reports at the same time that copies are sent to the SEC. If no person such has been designated, reports are to be sent to the Corporate Secretary at the Company's principal executive offices. If the designated person at the Company does not receive a copy of the Form within three days of its due date, the Company cannot presume that the filing with the SEC was timely made, which may result in the need to make disclosure of the late filing in the Company's proxy statement.

(e) Filing Date. Forms are deemed filed with the SEC or the applicable exchange on the date received by the SEC or exchange, respectively. However, forms will also be deemed filed on time if they are transmitted to a third party delivery company or governmental entity (e.g., Federal Express or Express Mail) which guarantees delivery to the SEC no later than the required riling date. In order to be able to demonstrate that an insider's filing has been timely made, it is essential that the Insider retain the receipt provided by any such service and that you request confirmation of filing with the SEC by enclosing a self-addressed stamped return envelope and an additional copy of the transmittal letter for date-stamping.

Insiders should be mindful of the fact that, except for Express Mail, the U.S. Postal Service does not guarantee delivery within any specified time, even for certified or registered mail. For this reason, if an Insider sends his other Forms to the SEC through the regular mail and they are lost in the mail (or are delivered after their due date), the Forms will not have been timely filed, regardless of how much in advance of the due date they were deposited in the mail.

In the event that a due date falls on a weekend or SEC holiday, the Form will be deemed timely filed if it is received (or receipt is guaranteed) by the next business day after such weekend or holiday.

(f) Securities to be Reported. A person who is subject to Section 16 must only report as beneficially owned those securities in which he or she has a pecuniary interest. See the discussion of "beneficial ownership" below at Section D.

3. *Initial Report of Ownership - Form 3*. Under Section 16(a), Insiders are required to make an initial report on Form 3 to the SEC of their holdings of all equity securities of the corporation (whether or not such equity securities are registered under the Exchange Act). This would include all traditional types of securities, such as Common Stock, Preferred Stock and Junior Stock, as well as all types of derivative securities, such as warrants to purchase stock, options to purchase stock, puts and calls. Even Insiders who do not beneficially own any equity securities of the Company must file a report on Form 3 to that effect.

(a) Initial Filing Deadline. The initial statement of ownership for persons who become officers, directors or 10% shareholders of the Company must be filed within ten days after the date on which they become an officer, director or 10% shareholder, and should reflect ownership as of the date they became such an Insider.

(b) One-Time Filing. An Insider is required to file an initial statement of beneficial ownership on Form 3 only once, unless such person ceases to be an Insider and later becomes an Insider again. Thus, an additional statement on such Form is not required when either (1) the Insider attains a second "Insider" position (such as the election of the President to the Board of Directors), or (2) an additional class of equity securities of the Company is registered under Section 12.

4. *Changes in Ownership - Form 4*. An Insider should use Form 4 to report (i) all transactions during a month that are not exempt from Section 16(b) and (ii) all exercises and conversions of derivative securities (e.g. stock options) regardless of whether they are exempt. Effective as of August 30, 2002, directors, officers and 10% shareholders of U.S. public companies will be required to file their Form 4 reports under Section 16 of the Exchange Act by the second business day after execution of a transaction, instead of by the tenth day of the month following the month in which the transaction occurs.

(a) Prior Transactions. Insiders of the Company need not report transactions that occurred prior to the date they first became an officer, director or 10% shareholder, and those transactions may not become a basis for short-swing profit liability such Section 16(b). However, a director or officer who becomes subject to Section 16 solely as a result of the issuer first registering a class of its equity securities pursuant to Section 12 of the Exchange Act is subject to the reporting and liability provisions of Section 16 with respect to any transactions conducted in the six months prior to the first transaction requiring a filing on Form 4 after such registration.

(b) Termination of Insider Status. If a person ceases to be an officer or director, he or she continues to be subject to the reporting and liability provision of Section 16 for up to six months following termination of such status. As a result, he or she must file a Form 4 with respect to any non-exempt change in beneficial ownership which occurs within six months after any change in ownership which occurred before he or she ceased to be an officer or director. Such an individual

must also file a Form 5 after his or her termination to report exempt and previously unreported transactions for that portion of the issuer's fiscal year during which he or she was an officer or director, as well as to report exempt and previously unreported transactions occurring within six months of the last transaction conducted while the person was an officer or director subject to Section 16.

A 10% shareholder whose beneficial ownership (under the Section 13(d) voting or investment control test) drops below 10% need not report any subsequent transactions on Form 4 after reporting less than 10% but must file a Form 5 with respect to any exempt or previously unreported transactions that occurred during the portion of the fiscal year that such person was a 10% shareholder.

Both Form 4 and Form 5 have an exit box that should be checked when the Insider after reporting less than 10% files his or her final Form 4 or Form 5 if a final filing is required.

(c) What Constitutes a Change in Beneficial Ownership. Generally, an Insider is deemed to have acquired (disposed of) beneficial ownership of a security at the time he or she makes a firm commitment to acquire (dispose of) the security. (Please see Section D below for a complete definition of "Beneficial Ownership.") If it is necessary that certain conditions outside the Insider's control be satisfied prior to the consummation of the purchase or sale and if it is uncertain whether such conditions will be satisfied, the Insider will not be deemed to have acquired beneficial ownership or to have divested himself or herself until such time as the conditions prescribed are satisfied and the undertaking to purchase or sell becomes a firm commitment.

An Insider is deemed to have acquired ownership of a derivative security (whether issued by the Company or a third party) upon grant or acquisition, regardless of when it becomes exercisable. Similarly, an Insider is deemed to have disposed of ownership of a derivative security upon its sale, cancellation or expiration. See Sections B.6 and C below.

(d) Report Each Change of Ownership. Except for certain exempt transactions that may be reported on a Form 5, every change of ownership must be reported on Form 4, even if, as a result of balancing purchases and sales, there has been no net change in holdings during the month. No Form 4 report need be filed for any month in which no change in beneficial ownership occurs or in which the only change was exempt from Section 16(b) pursuant to the rules thereunder.

5. ***Special Transactional Reporting Requirements*****.** Changes in beneficial ownership that constitute exempt transactions under Section 16(a) or Section 16(b), other than the exercise of an option, need not be reported currently on Form 4. Such transactions fall into two categories: (i) those which must be reported in the annual filing on Form 5, and (ii) those which need not be reported at all. The following are some examples of transactions in these categories.

(i) Annual Filing on Form 5

(a) Small Acquisitions. Reporting an acquisition of an equity security not exceeding $10,000 in market value, or of the right to acquire such securities, may be deferred until

the annual filing on Form 5, so long as (A) total acquisitions of the same class of security (including securities underlying derivative securities) within the preceding six months do not exceed $10,000 in market value, and (B) the person making the acquisition does not within six months thereafter make any disposition that is not exempt from Section 16(b) of the Exchange Act. Once either of the conditions described in (A) and (B) is not met, the small acquisition must be reported on Form 4 within ten days after the end of the calendar month in which the condition(s) fail.

(b) Gifts and Inheritance. Acquisitions and dispositions of the Company's securities pursuant to *bona fide* gifts or by will or the laws of descent and distribution are exempt from the liability provisions of Section 16(b). Insiders need not report such acquisitions or dispositions until the Form 5 for the fiscal year in which such transaction occurs.

(c) Option Grants Under Rule 16b-3. The grant of an option to an Insider pursuant to Rule 16b-3 is exempt from liability and is reportable on Form 5. See Section C below.

(ii) No Reporting Required.

(a) Stock Splits and Stock Dividends. Insiders need not report the acquisition or disposition of stock via stock splits or stock dividends that are provided *pro rata* to all security holders, and such acquisitions and dispositions are exempt from the liability provision of Section 16(b). It is advisable for Insiders to use the extra space provided on Form 4 or Form 5 to explain any change in their holdings resulting from such events.

(b) Pro Rata Rights. Acquisitions of shareholder rights granted *pro rata* to all holders of a class of registered equity securities (including so-called "poison pill" shareholder rights) are exempt from the reporting and liability provisions of Section 16.

6. ***Year-End Filing - Form 5*****.** An Insider must file a Form 5 within 45 days after the end of the issuer's fiscal year (February 14) unless all holdings and transactions that are required to be reported on Form 5 (including exempt transactions) have already been reported as of the date the Form 5 is due.

If not previously reported, the following transactions must be reported on Form 5: (a) any transaction during the last fiscal year that was exempt from the operation of the short-swing profit recovery rules under Section 16(b) (such as grants of options under Rule 16b-3); and (b) any holdings or transactions that should have been reported during the Company's last fiscal year (two fiscal years for the first Form 5 filed) on a Form 3 or Form 4, but were not reported. The Form 5 filing requirements apply to each person who was an Insider during any portion of the applicable fiscal year.

7. ***Reporting Obligations Regarding Certain Transactions in Derivative Securities*****.** In general, the acquisition or disposition of any option, warrant, put or call, whether or not transferable or then exercisable, is a reportable purchase or sale of the underlying security to which such derivative security relates, and requires the filing of a Form 4.

(a) Grant of Option or Warrant. If a derivative security is granted pursuant to Rule 16b-3, the otherwise reportable purchase is exempt and need not be reported until the annual filing on Form 5. If an Insider receives a derivative security other than pursuant to Rule 16b-3, the acquisition is deemed to be a purchase for Section 16 purposes and must be currently reported on Form 4.

(b) Exercise or Conversion of Option, Warrant or Other Right. The exercise of any option, warrant or other right to purchase securities must be currently reported on Form 4.

(c) Pledges. The right of a pledgee or borrower of securities to sell the pledged or borrowed securities is not a derivative security or "option" for purposes of Section 16, and the acquisition or disposition of such a right does not require the filing of a Form 4. Moreover, the SEC Staff has taken the position that *bona fide* pledges or loans of securities do not represent changes in beneficial ownership and need not be reported by the pledgor or lender. However, the sale of the pledged or borrower securities by the pledgee or borrower must be reported by the pledgor or lender and may result in Section 16(b) liability for the pledgor or lender.

(d) Rights Without a Fixed Price. Rights that do not have a fixed exercise or conversion price, such as a right to purchase stock at a future date at a specified percentage of its market value on the date of purchase, are not derivative securities and need not be reported.

C. Securities Acquired Pursuant to Rule 16b-3.

1. *General*. Rule 16b-3 generally provides exemptions from Section 16(b) for discretionary transactions by Insiders (e.g., not at the volition of the Insider). Rule 16b-3 provides that a grant or award of equity securities is exempt from Section 16 if any of the following conditions are met:

(1) the transaction is approved in advance by the board of directors or a committee of the board composed solely of two or more non-employee directors;

(2) the transaction is approved in advance by the shareholders, or subsequently ratified by the shareholders by the date of the next annual meeting of shareholders; or

(3) the securities so acquired are held by the officer or director for six months following the date of such acquisition.

2. *Transactions Must Comply with Rule 16b-3*. Individual transactions must meet certain general requirements in order to qualify for beneficial treatment under Rule 16b-3. The Company's administration of its stock option plan is designed to comply with Rule 16b-3.

D. Determining Beneficial Ownership.

The issue of beneficial ownership arises in two contexts under Section 16:

1. ***Determining Who is a Ten Percent Holder*****.** Beneficial ownership in the Section 16 context is determined by reference to Rule 13d-3, which provides that a person is the beneficial owner of securities if that person has or shares voting or disposition power with respect to such securities, or can acquire such power within 60 days through the exercise or conversion of derivative securities.

2. ***Determining Beneficial Ownership for Reporting and Short-Swing Profit Liability*****.** For all Section 16 purposes other than determining who is a ten percent holder, beneficial ownership means a direct or indirect pecuniary interest in the subject securities through any contract, arrangement, understanding, relationship or otherwise. "Pecuniary interest" means the opportunity, directly or indirectly, to profit or share in any profit derived from a transaction in the subject securities. Discussed below are several of the situations that may give rise to an indirect pecuniary interest.

(a) Family Holdings. An Insider is deemed to have an indirect pecuniary interest in securities held by members of the Insider's immediate family sharing the same household. Immediate family includes grandparents, parents (and step-parents), spouses, siblings, children (and step-children) and grandchildren, as well as parents-in-laws, siblings-in-laws, children-in-law and all adoptive relationships. An Insider may disclaim beneficial ownership of shares held by members of his or her immediate family, but the burden of proof will be on the Insider to uphold the lack of a pecuniary interest.

(b) Partnership Holdings. Beneficial ownership of a partnership's securities is attributed to the general partner of a limited partnership in proportion of such person's partnership interest. Such interest is measured by the greater of the general partner's share of partnership profits or of the general partner's capital account (including any limited partnership interest held by the general partner).

(c) Corporate Holdings. Beneficial ownership of securities held by a corporation will not be attributed to its shareholders who are not controlling shareholders and who do not have or share investment control over the corporation's portfolio securities.

(d) Derivative Securities. Ownership of derivative securities (warrants, stock appreciation rights, convertible securities, options and the like) is treated as indirect ownership of the underlying equity securities. Acquisition of derivative securities must be reported, although the timing of such reporting depends upon the Rule 16b-3 status of the employee plan under which the grant was made.

E. Delinquent Filings.

1. ***Disclosure Requirements*****.** Item 405 of Regulation S-B requires the Company to disclose in its proxy statements, information statements and Annual Reports on Form 10-K

information regarding delinquent filings under Section 16(a) by Insiders. The Company must identify by name it's Insiders who, during the fiscal year, reported transactions late or failed to file required reports, and must disclose the number of delinquent filings and transactions for each such Insider. The Company does not have an obligation to research and make inquiry regarding the delinquent Section 16(a) filings but may rely on the information disclosed on Forms 3, 4 and 5. The Company may also rely on a written representation from the Insider that no Form 5 filing is required but should retain the representation for two years. The cover page of Form 10-K has been amended to provide a box which can only be checked by the Company if it knows at the time of filing that there are no delinquent filings that will require disclosure pursuant to Item 405. The SEC has indicated that it will select for review any Form 10-K that does not have the box checked and that they will be using the disclosure of delinquencies to assist in their enforcement efforts.

2. *Correcting Late Filings*. If a particular transaction or holding has not been reported, the Insider must file a new form for the relevant month (if no transactions were previously reported for that month), or if a form was previously filed for the relevant month, the Insider must amend the original filing by filing a new form for that month. The transaction reported in an untimely manner would be disclosed pursuant to Item 405 for the fiscal year in which the report was filed, even if the transaction related to and should have been reported in a prior fiscal year.

3. *Potential Liability*. The SEC has been empowered by Congress to seek civil penalties against those who fail to comply with the reporting requirements of Section 16. Penalties may be sought for any violations occurring on or after October 15, 1990. Penalties for failure to timely file may range from $5,000 to $100,000 per violation. Moreover, if the SEC obtains a cease-and-desist order prohibiting future violations of the reporting requirements under Section 16, each day that a filing is late may be treated as a separate offense, thereby multiplying the penalty amount by the number of days that the form is delinquent.

F. Other Prohibited Insider Transactions Under Section 16(c).

Section 16(c) of the Exchange Act provides that it is unlawful for an Insider to sell any equity security (including a derivative security) of the corporation if the person selling the security (1) does not own the security sold, or (2) owns the security but does not deliver it against such sale within 20 days thereafter, or does not, within five days after such sale, deposit it in the mails or other usual channels of transportation.

Clause (1) above is directed to the tradition "short sale" where the seller borrows stock to make delivery on sale and repays his or her loan with securities purchased thereafter.

Clause (2) above is directed to either long sales or "short sales against the box" where delivery is not made within the required time limits.

The interactions of Section 16(c) with the derivative securities concept is not entirely clear, but the establishment of or increase in a "put equivalent position" (a broadly defined term that includes any type of short position) is considered functionally and economically equivalent to a

prohibited short sale if the Insider does not own underlying securities sufficient to cover the put equivalent position.

Exhibit C

Pareteum Corporation

INSIDER TRADING COMPLIANCE PROGRAM - PRE-CLEARANCE CHECKLIST

Individual Proposing to Trade:_____

Number of Securities covered by Proposed Trade:_____

Date:_____

☐ Trading Window. Confirm that the trade will be made during the Company's "trading window."

☐ Section 16 Compliance. Confirm, if the individual is subject to Section 16, that the proposed trade will not give rise to any potential liability under Section 16 as a result of matched past (or intended future) transactions. Also, ensure that a Form 4 has been or will be completed and will be timely filed.

☐ Prohibited Trades. Confirm, if the individual is subject to Section 16, that the proposed transaction is not a "short sale," put, call or other prohibited or strongly discouraged transaction.

☐ Rule 144 Compliance. Confirm that:

- ☐ Current public information requirement has been met;
- ☐ Securities are not restricted or, if restricted, the one year holding period has been met;
- ☐ Volume limitations are not exceeded (confirm that the individual is not part of an aggregated group);
- ☐ The manner of sale requirements have been met; and
- ☐ The Notice of Form 144 Sale has been completed and filed.

☐ Rule 10b-5 Concerns. Confirm that (i) the individual has been reminded that trading is prohibited when in possession of any material information regarding the Company that has not been adequately disclosed to the public, and (ii) the Insider Trading Compliance Officer has discussed with the individual any information known to the individual or the Insider Trading Compliance Officer which might be considered material, so that the individual has made an informed judgment as to the presence of inside information.

_____

Signature of Insider Trading Compliance Officer

Confirmation by Individual

_____

Signature

Transactions Report

[Month], [Year]

Officer or Director: _____

I. TRANSACTIONS IN _____ (specify month and year):

☐ No transactions. ☐ The transactions described below.

Owner of Record	Transaction Date (1)	Transaction Code (2)	Security (Common, Preferred)	Number of Securities Acquired	Number of Securities Disposed of	Purchase/ Sale Unit Price

(1) (a) Brokerage transactions - trade date
(b) Other purchases and sales - date firm commitment is made
(c) Option and SAR exercises - date of exercise
(d) Acquisitions under stock bonus plan - date of grant
(e) Conversion - date of surrender of convertible security
(f) Gifts - date on which gift is made

(2) Transaction Codes:
(P) Pre-established Purchase or Sale
(N) Purchase or Sale (not "Pre-established")
(G) Gift
(M) Option exercise (in-the-money option)
(Q) Transfer pursuant to marital settlement
(U) Tender of shares
(W) Acquisition or disposition of will
(J) Other acquisition or disposition (specify)

II. SECURITIES OWNERSHIP AT MONTH-END

A. Company Securities Directly or Indirectly Owned (other than stock options noted below):

Title of Security (*e.g.*, Preferred, Common, etc.)	Number of Shares/Units	Record Holder (if not Reporting Person)	Relationship to Reporting Person

B. Stock Option Ownership:

Date of Grant	Number of Shares	Exercise Price	Vesting Dates	Expiration Date	Exercises to Date (Date, No. of Shares)

Exhibit D

Pareteum Corporation
MONTHLY TRANSACTION REMINDER

TO: [Name of Officer or Director]

FROM:

DATED:

RE: **Form 4 filing for [Month]**

This is to remind you that if there is a change in your beneficial ownership of Common Stock or other securities of **Pareteum Corporation** (the "Company") in any month you must file a Form 4 report with the Securities and Exchange Commission (the "SEC") by the 2nd day following the transaction, even if there is no net change in your beneficial ownership or if a transaction need not be reported to the SEC at this time.

Our records indicate that during _____ (specify month and year) you had the transactions in the Company's securities indicated on the attached exhibit.

1. Please advise us whether the information on the attached exhibit is correct:

   ☐ The information is complete and correct.

   ☐ This information is not complete and correct. I have marked the correct information on the attached exhibit.

2. Please advise us if we should assist you by preparing the Form 4 for your signature and filing it for you with the SEC, or if you will prepare and file the Form 4 yourself. (Please note that we have prepared and attached for your convenience a Form 4 reflecting the information we have, which (if it is complete and correct), you may sign and return in the envelope enclosed.)

   ☐ The Company should prepare and file the Form 4 on my behalf.

   ☐ I shall prepare and file the Form 4 myself.

_____

Signed Dated

If you have any questions, contact Robert Harold Turner, the Company's Executive Chairman, at +1 (212) 984-1096

I understand that my Form 4 or Form 5 must be filed publicly via Edgar or otherwise as required by applicable law, rule or regulation.