

2020682



STOCK PURCHASE AGREEMENT

THIS STOCK PURCHASE AGREEMENT ("Agreement") is dated as of May 1st 1997 by and between Newbridge Networks Corporation, a corporation organized under the laws of Canada ("Seller") and Newbridge Networks Limited, a corporation organized under the laws of England and Wales ("Acquirer").

WHEREAS:

- A. The Seller desires to sell, assign and transfer to Acquirer and Acquirer desires to acquire from Seller all of the issued and outstanding shares of Capital stock held by the Seller in its subsidiary, UB Networks Limited, a corporation organized under the laws of England and Wales (the "Shares").
- B. The parties desire to set forth their agreement of the terms and conditions under which such Shares shall be assigned and transferred to, and acquired by Acquirer in exchange for shares of the Acquirer.

In consideration of the mutual covenants and agreements set forth herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

ARTICLE I -- TRANSFER OF SHARES

- 1.01 Transfer of Shares to Acquirer. The Seller hereby sells, assigns and transfers all of its right, title and interest in and to the Shares to Acquirer. In consideration of and exchange for the Shares, Acquirer hereby tenders to the Seller (but subject to adjustment under 1.02 below) 3,971,973 common shares of the Acquirer, being in the aggregate equal in value to the fair value of the Shares, which value has been calculated to be equal to the Net Book Value of UB Networks Limited
- 1.02 The parties have agreed that the Net Book Value of UB Networks Limited as at 31st March 1997 is 3,971,973 Pounds Sterling. The parties further agree that the final value for the Shares will be the Net Book Value as at 30th April 1997 confirmed by the auditors of UB Networks Limited, and that accordingly the consideration of 3,971,973 common shares of the Acquirer in 1.01 above will be adjusted on or before 15th May 1997 to reflect any change in the Net Book Value as at 30th April 1997. The adjusted figure, if any, will be confirmed by letter signed by both parties referencing this Agreement.



ARTICLE II -- REPRESENTATIONS & WARRANTIES

- 2.01 Representations and Warranties of Acquirer. Acquirer hereby represents and warrants to Seller that:
- (a) this Agreement has been duly authorized, executed and delivered by Acquirer and constitutes the valid and binding obligation of Acquirer enforceable in accordance with its terms, except as limited by laws affecting creditors' rights or equitable principles generally.
 - (b) the Shares will be acquired by Acquirer solely for investment purposes, with no present intention to sell or otherwise dispose of the same or any part thereof. Acquirer neither has knowledge of nor anticipates any circumstance, conditions or event which might hereafter occur which would cause the sale of the Shares by Acquirer, except in connection with the Restructuring. The Shares are acquired by Acquirer with the understanding that the Shares will not have been registered under applicable securities laws and Acquirer further understands that UB Networks Limited has no present intention to register the same under any such laws.
- 2.02 Representations and Warranties of Seller. Seller hereby represent and warrants to Acquirer that:
- (a) this Agreement has been duly authorized, executed and delivered by Seller and constitutes the valid and binding obligation of Seller enforceable in accordance with its terms, except as limited by laws affecting creditors' rights or equitable principles generally.
 - (b) the Shares constitute all of the issued and outstanding capital stock of UB Networks Limited and there are in existence no other security or obligations convertible into or exchangeable into capital stock of UB Networks Limited.

ARTICLE III -- GENERAL

- 3.01 Notices. All notices and other communications to any party hereunder shall be in writing and shall be deemed given upon (i) actual receipt if delivered personally or if delivered by telex or facsimile, (ii) the next day if by express mail or an established and reliable overnight or next-day courier service, or (iii) five (5) days after being sent by registered or certified mail, return receipt requested, postage prepaid, to such party at its address listed below (or at such other address as such party may specify by like notice provided that such notice shall be effective only upon receipt thereof):

(a) If to the Acquirer:

c/o Newbridge Networks Limited.
Coldra Woods
Chepstow Road
Newport, Gwent UK NP6 1JB

Attention: Chris Woodhead
Legal Advisor
Telephone: 011 44 63 341 3600
Fax: 011 44 63 341 3680

(b) If to Seller:

Newbridge Networks Corporation
600 March Road
Kanata, Ontario K2K 2E6

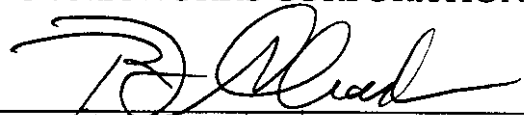
Attention: Peter Nadeau
Vice President, Legal Services
Telephone: (613) 599-1020
Fax: (613) 599-3672

- 3.02 Miscellaneous. This Agreement shall be governed by the laws of Ontario, Canada, without giving effect to the conflict of laws principles thereof. All covenants, agreements, representations, and warranties shall be binding upon, and inure to the benefit of, the parties and their respective successors and permitted assigns. The rights under this Agreement shall not be assigned and the duties or obligations hereunder shall not be delegated by either party without the prior written consent of the other party. any attempted assignment or transfer of any rights, or attempted delegation of any duties or obligations under this Agreement without such written consent shall be void and of no effect. This Agreement, together with any schedules hereto, constitutes the entire understanding and agreement between the parties hereto concerning the subject matter hereof, superseding all prior oral or written agreement or understandings between the parties concerning the subject matter hereof. This Agreement may not be changed, modified or altered except by an agreement in writing executed by the parties hereto. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same agreement. titles and headings to articles and sections herein are inserted for convenience of reference only, and are not intended to be a part of or to affect the meaning or interpretation of this Agreement.

IN WITNESS WHEREOF, the undersigned have executed this Stock Transfer Agreement as of the date first above written.

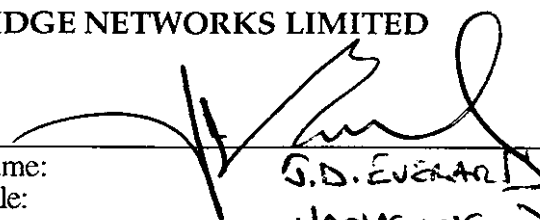
NEWBRIDGE NETWORKS CORPORATION

By: _____


Name: Peter D. Chamberlain
Title: President and Chief Operating Officer

NEWBRIDGE NETWORKS LIMITED

By: _____


Name: G.D. EVERARD
Title: MANAGING DIRECTOR