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

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of Earliest Event Reported):

March 22, 2015

Digi International Inc.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction
of incorporation)

001-34033

(Commission
File Number)

41-1532464

(I.R.S. Employer
Identification No.)

11001 Bren Road East, Minnetonka, Minnesota

(Address of principal executive offices)

55343

(Zip Code)

Registrant's telephone number, including area code:

952-912-3444

Not Applicable

Former name or former address, if changed since last report

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

On March 25, 2015, we announced that Steven E. Snyder plans to retire from his position as Senior Vice President, Chief Financial Officer and Treasurer effective as of the end of the day on April 19, 2015. We plan to retain Mr. Snyder as an employee through October 31, 2015. He is expected to devote his full time and attention to our business through July 31, 2015 (the "Initial Transition Period") and then be available to provide consultation and assistance as reasonably requested by us through October 31, 2015.

In exchange for his continued service, we have agreed to provide the following compensation and benefits to Mr. Snyder: (i) a lump sum payment of \$217,500 which is equal to nine months of Mr. Snyder's current annualized salary and is to be paid as soon as practicable following the end of Mr. Snyder's service to the company, and (ii) a pro rata bonus under our fiscal 2015 cash incentive compensation plan based on the number of months Mr. Snyder works for us during the fiscal year through the Initial Transition Period, such bonus to be calculated and paid within 2.5 months following the end of the fiscal year on September 30, 2015. In addition, if Mr. Snyder elects to continue his group medical and dental insurance coverage pursuant to the terms of our plans and applicable laws, we will pay his premiums for such coverage at the same level of coverage in effect on the date of his termination of employment with us for up to three months. A copy of the Transition Agreement entered into with Mr. Snyder is attached hereto as Exhibit 10.1.

Our Board of Directors has elected Michael C. Goergen to serve as Senior Vice President, Chief Financial Officer and Treasurer, effective April 20, 2015. Mr. Goergen, age 47, most recently served as Senior Vice President –Finance of the Transport – Logistics division of Trimble Navigation Limited from April, 2013 to March, 2015. From June 2007 to April, 2013, Mr. Goergen served as Chief Financial Officer of PeopleNet Communications. PeopleNet was acquired by Trimble in 2011. Prior to his role as Chief Financial Officer of PeopleNet, he served since 1997 in various financial roles at PeopleNet. A copy of our Press Release announcing Mr. Goergen's appointment is attached hereto as Exhibit 99.1.

In connection with his appointment, our Board of Directors approved a compensatory arrangement for Mr. Goergen to be effective upon his employment with Digi. Mr. Goergen will receive an annual base salary equal to \$290,000 with an annual incentive target of \$174,000. Payment of the incentive target will be pro-rated based on length of his service in the applicable quarter or fiscal year. Forty percent (40%) of the annual incentive target will be based on achievement of quarterly revenue and profitability targets and sixty percent (60%) of the annual incentive target will be based on achievement of annual revenue and profitability targets.

The Board also has indicated that following the commencement of Mr. Goergen's employment with us it will consider the approval of (i) an initial grant of options to purchase 100,000 shares of Digi common stock at an exercise price equal to the closing market price of our common stock on the grant date, and (ii) an initial grant of restricted stock units for 50,000 shares of Digi common stock. The options would expire after eight years from the grant date and will vest 25% after one year and in equal proportions each month thereafter for three years, resulting in a total vesting period of four years. The restricted stock units would vest 25% on each of the first, second, third and fourth anniversaries of the grant date.

In the event within one year following a change in control Mr. Goergen's employment is terminated by the company without cause or by Mr. Goergen for good reason, then any above described unvested stock options or restricted stock units shall vest. In addition, if the company terminates Mr. Goergen's employment for reasons other than cause (as defined in the Offer Letter) and he agrees to execute a release of claims, he will be entitled to receive (i) twelve months of base salary in effect at the time of termination, payable in a lump sum, and (ii) a pro-rata bonus based on the number of months worked in the fiscal year prior to termination and the company's actual performance.

Mr. Goergen will also be eligible to participate in other compensation and benefit programs generally available to our executive officers.

A copy of the Offer Letter is attached hereto as Exhibit 10.2 and is incorporated herein by reference.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Digi International Inc.

March 26, 2015

By: *David H. Sampsell*

Name: David H. Sampsell

Title: Vice President of Corporate Development, General Counsel & Corporate Secretary

Exhibit Index

<u>Exhibit No.</u>	<u>Description</u>
10.1	Transition Agreement dated March 25, 2015 between Digi International Inc. and Steven E. Snyder
10.2	Offer Letter dated March 6, 2015 between Digi International Inc. and Michael C. Goergen
99.1	Press Release dated March 26, 2015 Announcing Appointment of Michael C. Goergen as Chief Financial Officer and Retirement of Steven E. Snyder

TRANSITION AGREEMENT

This Transition Agreement is made as of March 25, 2015 (the “Effective Date”) by and between DIGI INTERNATIONAL INC., a Delaware corporation (the “Company”), and Steven Snyder (“Executive”).

WHEREAS, Executive is currently employed as Sr. Vice President, and Chief Financial Officer of the Company, pursuant to an offer letter dated October 28, 2010 (the “Letter Agreement”);

WHEREAS, in connection with, and as a condition of the Letter Agreement, Executive and the Company entered into a DIGI International Employment, Confidential Information, and Arbitration Agreement, signed by Executive on November 7, 2010 (the “Confidential Information Agreement”);

WHEREAS, Executive and the Company are parties to certain stock option agreements, which grant to Executive certain options to purchase shares of the Company’s common stock under certain circumstances specified in the option agreements;

WHEREAS, Executive and the Company are parties to certain stock restricted stock unit agreements, which grant to Executive certain restricted stock units options in accordance with the plans under which the units were granted and the related restricted stock unit agreement; and

WHEREAS, Executive and the Company have agreed upon a smooth transition of Executive’s employment with the Company, according to the terms and conditions of this Agreement, with both the Company and Executive desiring Executive to remain employed by the Company through October 31, 2015.

NOW THEREFORE, in consideration of the mutual promises and provisions contained in this Agreement, the parties, intending to be legally bound, agree as follows:

1. Transition.

(a) Employment. Subject to the terms and conditions of this Agreement, the Company hereby agrees to continue Executive’s employment, and Executive hereby accepts continued employment by the Company, for the period (the “Transition Period”) commencing on the Effective Date and continuing until the earlier of (a) October 31, 2015 (the “Anticipated Separation Date”), or (b) the date on which Executive’s employment is earlier terminated under Section 6. The effective date of the termination of Executive’s employment with the Company for any reason is referred to herein as the “Termination Date.” For purposes of Section 7 of this Agreement only, with respect to the timing of any payments thereunder, the Termination Date shall mean the date on which a “separation from service” has occurred for purposes of Section 409A of the Internal Revenue Code and the regulations and guidance thereunder (the “Code”).

(b) Officer Role. Executive hereby resigns from his positions as Sr. Vice President, and Chief Financial Officer of the Company, and as an officer or director of any subsidiary of the Company, effective as of the earlier of (i) the date requested by the Chief Executive Officer due to commencement of his successor’s employment, and (ii) the Termination Date. The effective date of Executive’s resignation as Sr. Vice President, and Chief Financial Officer is referred to herein as the “Officer Resignation Date.” If the Officer Resignation Date occurs prior to the Termination Date, Executive will continue to be an employee of the Company through the Termination Date and will continue to receive his salary and benefits through the Termination Date.

(c) Conduct During Transition. Executive shall follow all applicable policies and procedures previously adopted by the Company or adopted by the Company during the Transition Period, including, without limitation, policies related to business ethics, non-discrimination, conflict of interest, confidentiality and protection of trade secrets. Executive shall not engage in any activity during the Transition Period that is detrimental or is reasonably likely to be detrimental to the Company’s best interests.

2. Duties. While Executive is employed by the Company during the Transition Period, Executive’s responsibilities shall be as follows:

(a) Initial Transition Period. During the period from the Effective Date through July 31, 2015 (the “Initial Transition Period”), Executive shall continue to devote his full time, attention and energy to performing his duties and responsibilities to the Company. Executive’s responsibilities and duties during the Initial Transition Period shall include such duties as requested by the Chief Executive Officer, which may include, without limitation, (i) assisting with ongoing matters on which he worked prior to the Effective Date, (ii) facilitating the transition of his prior responsibilities, and (iii) timely executing and delivering such acknowledgements, instruments, certificates, and other ministerial documents (including without limitation, certification as to specific actions performed by Executive in his capacity as an officer of the Company) as may be necessary or appropriate to formalize and complete the applicable corporate records. Notwithstanding the foregoing, during the Initial Transition Period, the Company will permit Employee reasonable time to begin a search for other employment, including interviewing and other activities associated with searching for and obtaining new employment.

(b) Second Transition Period. During the period from August 1, 2015 through the Anticipated Separation Date (the “Second Transition Period”), Executive shall at the Company’s reasonable request and upon reasonable notice, timely execute and deliver such acknowledgements, instruments, certificates, and other ministerial documents (including without limitation, certification as to specific actions performed by Executive in his capacity as an officer of the Company) as may be necessary or appropriate to formalize and complete the applicable corporate records. In addition, at the Company’s reasonable request and upon reasonable notice, Executive will, from time to time, discuss and consult with the Company regarding business matters that he was directly and

substantially involved with while employed by the Company. Executive shall not be required to report to work on a regular basis during the Second Transition Period.

3. Compensation and Benefits. While Executive is employed by the Company during the Initial and Second Transition Period, Executive shall continue to receive his base salary as of the Effective Date, and shall remain eligible to participate in all employee benefit plans and programs generally available to employees of the Company, to the extent that Executive meets the eligibility requirements for each individual plan or program. Executive shall continue to be eligible for incentive compensation in accordance to the terms of his Employment Agreement and any annual cash incentive plan in effect through the end of the Initial Transition Agreement.

4. First Executive Release. At the same time Executive signs this Agreement, Executive also will sign a release in the form attached to this Agreement as **Exhibit A** (the “First Release”).

5. Stock Options and Restricted Stock Unit. Executive acknowledges and agrees that the stock options and restricted stock units listed in this Section 5 are his only stock options, restricted stock units or other rights to purchase or acquire shares of the Company’s Common Stock and (i) that such stock options are exercisable, or will become exercisable, in accordance with the plans under which the options were granted and the related option agreements and only to the extent such options currently are vested, or become vested by virtue of Executive’s continued employment with the Company pursuant to this Agreement and (ii) that such restricted stock units are vested, or will become vested, in accordance with the plans under which the units were granted and the related restricted stock unit agreement. Executive further agrees and acknowledges that all of such options to purchase the Company’s Common Stock will expire and cease to be outstanding in accordance with the plans under which the options were granted and the applicable option agreements. Nothing in this Agreement is intended to modify in any way the terms and conditions of the option agreements or restricted stock units and it is the intent of Executive and the Company that the options and units continue to vest in accordance with the option agreements and restricted stock agreement while Executive is employed pursuant to this Agreement.

Grant Date	Total Options	Options Exercisable		Option Exercise Price (\$)	Option Expiration Date
		Assuming Employment Through 10/31/2015			
11/30/10	150,000	150,000		9.60	11/30/20
11/22/11	60,000	58,750		10.63	11/22/21
11/20/12	55,000	40,104		9.35	11/20/22
11/20/13	55,000	26,354		10.81	11/20/23
11/20/14	27,500	0		7.40	11/20/24
Grant Date		Total Restricted Stock Units		Vested Units Through 10/31/2015	
05/27/14		12,500		4,167	
11/20/14		13,750		0	

6. Early Termination. Executive’s employment with the Company may be terminated prior to the Anticipated Separation Date for the following reasons:

(a) the Board terminates Executive’s employment with the Company for Cause (as defined in Section 3.2 of the Employment Agreement, as amended by Section 8(b) of this Agreement) or due to Executive’s breach of this Agreement;

(b) Executive terminates his employment with the Company for any reason; or

(c) Executive’s death.

If Executive’s employment terminates prior to the Anticipated Separation Date for any of the reasons provided for in this Section 6, then the Company’s only obligations to Executive shall be to pay Executive such compensation that has been earned but not paid to Executive as of the Termination Date, including any earned but unused vacation pay.

7. Separation Benefits.

(a) **Separation Benefits.** If Executive’s Termination Date is the Anticipated Separation Date, then the Company shall pay Executive such compensation that has been earned but not paid to Executive as of the Termination Date, including any earned but unused vacation pay, and subject to satisfaction of the conditions set forth below in Section 7(b), Executive shall receive the following separation benefits (hereinafter the “Separation Benefits”):

(i) The Company will pay to Executive a lump sum payment equal to nine (9) months of Executive’s base salary in effect immediately prior to the Termination Date, less applicable withholdings, which shall be paid within 15 business days following expiration of the rescission period provided for in the Second Release (defined below).

(ii) The Company shall pay Executive a pro-rata bonus based on (x) the number of months worked in the 2015 fiscal year as of the end of the Initial Transition Period; and (y) the Company’s actual performance against annual objectives. This pro-rata bonus shall be paid no later than 2.5 months after the close of the 2015 fiscal year.

(iii) If Executive elects to continue his group medical and dental insurance pursuant to the terms of the applicable plans and laws (“COBRA health coverage”), the Company will pay Executive’s group medical and dental health premiums at the same level of coverage as in effect as of the Termination Date, through the earliest of (a) three (3) months following the Termination Date, (b) the date on which Executive becomes eligible for comparable group medical or dental coverage from any other employer, or (c) the date that COBRA health coverage ends under the applicable plan or laws.

(b) Conditions. Executive’s receipt of the Separation Benefits is subject to the following conditions: (i) on or within twenty-one (21) days after the Anticipated Separation Date, Executive has signed a second release in the form attached to this Agreement as **Exhibit B** (the “Second Release”), (ii) Executive has not rescinded the Second Release within the rescission period set forth in the Second Release, and (iii) Executive has not breached Executive’s obligations under this Agreement or the Employment Agreement.

8. Claims Involving the Company. Executive agrees that he will, at any future time, be available upon reasonable notice from the Company, with or without subpoena, to be interviewed, review documents or things, give depositions, testify, or engage in other reasonable activities in connection with any litigation or investigation, with respect to matters that Executive has or may have knowledge of by virtue of his employment by or service to the Company or any related entity. In performing his obligations under this Section 8 to testify or otherwise provide information, Executive will honestly, truthfully, forthrightly, and completely provide the information requested. Executive will comply with this Agreement upon notice from the Company that the Company or its attorneys believe that his compliance would be helpful in the resolution of an investigation or the prosecution or defense of claims.

9. Non-disparagement. Executive will not malign, defame, or disparage the reputation, character, image, products, or services of the Company, or the reputation or character of the Company’s directors, officers, employees, or agents. The current members of the Board will not disparage Executive’s reputation, image or character, and neither the Board nor the Company will authorize or encourage any employee of the Company to disparage Executive’s reputation, image or character. Nothing in this Agreement is intended to prevent or interfere with Executive or the Company from making any required or reasonable communications with, or providing information to, any governmental, law enforcement, or stock exchange agency or representative, or in connection with any governmental investigation, court, administrative or arbitration proceeding.

10. Interpretation of Releases. This Agreement will not be interpreted or construed to limit the First Release or the Second Release in any manner. The existence of any dispute respecting the interpretation of this Agreement or the alleged breach of this Agreement will not nullify or otherwise affect the validity or enforceability of the First Release or the Second Release.

11. Time to Consider Agreement. Executive understands that he may take 21 calendar days after the date on which Executive receives this Agreement and the First Release, not counting the date on which Executive receives them, to decide whether to sign this Agreement and the First Release. Executive represents that if he signs this Agreement and the First Release before the expiration of the 21-day period, it is because he has decided that he does not need any additional time to decide whether to sign this Agreement and the First Release. Executive agrees further that any changes made to this Agreement or the First Release before Executive signs them, whether material or immaterial, will not restart the 21-day consideration period. Executive understands that his acceptance of this Agreement must be hand-delivered or mailed to the Company in the manner set forth in the First Release. If Executive chooses not to sign this Agreement or the First Release, Executive’s employment will be terminated upon expiration of the 21-day consideration period and Executive will not be entitled to the benefits provided for in this Agreement.

12. Right to Rescind. Executive understands that he has the right to rescind this Agreement and the First Release for any reason within fifteen (15) calendar days after he signs them, not counting the date on which he signs the Agreement and the First Release. Executive understands that this Agreement and the First Release will not become effective or enforceable unless and until Executive has not rescinded them and the applicable rescission period has expired. Executive understands that if he rescinds this Agreement or the First Release, the rescission must be in writing and hand-delivered or mailed to the Company in the manner set forth in the First Release.

13. Advice of Counsel. Executive has been advised, and by this Agreement is again advised, to consider this Agreement carefully and to review it with legal counsel of the Executive’s choice. Executive understands the provisions of this Agreement and has been given the opportunity to seek independent legal advice before signing this Agreement.

14. Miscellaneous.

(a) Amendment. This Agreement may be amended only in writing, signed by both parties and approved by the Board.

(b) Withholding and Tax Matters. Executive acknowledges and agrees that neither the Company nor anyone acting on the Company’s behalf has made any representations to Executive concerning the tax consequences of entering into this Agreement and receiving the Severance Benefits and that Executive has not relied on any tax advice from the Company or anyone acting on the Company’s behalf. The Company may withhold from the Severance Benefits such federal, state and local income and employment taxes as the Company may determine are required or authorized to be withheld pursuant to any applicable law or regulation. Except for any tax amounts withheld by the Company from the Severance Benefits and any employment taxes required to be paid by the Company, Executive shall be responsible for payment of any and all taxes owed in connection with the Severance Benefits.

(c) Section 409A. The payments provided under this Agreement are intended to be exempt from the requirements of Code Sections 409A(a)(2), (3) and (4), including current and future guidance and regulations interpreting such provisions, and it should be interpreted accordingly.

(d) Entire Agreement. This Agreement, the Confidential Information Agreement, the applicable option and restricted stock unit agreements, and any qualified employee benefit plans sponsored by the Company in which Executive is a participant are intended to define the full extent of the legally enforceable undertakings of the parties, and no promises or representations, written or oral, that are not set forth explicitly in this Agreement, the Confidential Information Agreement, the applicable option and restricted stock unit agreements, the Indemnification Agreement, or any qualified employee benefit plans sponsored by the Company in which Executive is a participant are intended by either party to be legally binding. All other agreements and understandings between Executive and the Company, including without limitation the Letter Agreement, are hereby cancelled, terminated, and superseded.

(e) Binding Effect; Assignment. This Agreement shall inure to the benefit of and be binding upon the Company, its successors and assigns, and shall inure to the benefit of and be binding upon Executive and Executive's heirs, distributees and personal representatives. The rights and obligations of the Company under this Agreement may be assigned to a successor without any further consent from Executive. Executive's rights and obligations may not be assigned to any other person or entity.

(f) Governing Law; Jurisdiction and Venue. All matters related to the interpretation, construction, application, validity and enforcement of this Agreement (including its Exhibits) shall be governed by the laws of the State of Minnesota without giving effect to any choice or conflict of law provision or rule, whether of the state of Minnesota or any other jurisdiction, that would otherwise cause the application of the laws of any jurisdiction other than the State of Minnesota. Executive and the Company consent to jurisdiction of the courts of the State of Minnesota and/or the federal district courts in Minnesota, for the purpose of resolving all issues of law, equity, or fact, arising out of or in connection with this Agreement, the First Release or the Second Release. Any action involving claims of a breach of this Agreement, the First Release or the Second Release shall be brought in such courts. Each party consents to personal jurisdiction over such party in the state and/or federal courts of Minnesota and hereby waives any defense of lack of personal jurisdiction or inconvenient forum. Venue, for the purpose of all such suits commenced in state court, shall be in Hennepin County, State of Minnesota.

(g) Knowing and Voluntary Signature. Executive acknowledges that he has carefully read this Agreement (including its Exhibits) and that he is voluntarily agreeing to the terms of this Agreement.

(h) Captions and Headings. The captions and section headings used in this Agreement are for convenience of reference only, and shall not affect the construction or interpretation of this Agreement or any of the provisions hereof.

(i) Multiple Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original and all of which shall constitute one instrument.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date set forth above.

DIGI INTERNATIONAL INC.

/s/ Ronald Konezny

By:

Its: President & Chief Executive Officer

EXECUTIVE

/s/ Steven Snyder

EXHIBIT A

FIRST RELEASE BY STEVEN SNYDER

Definitions. I intend all words used in this First Release to have their plain meanings in ordinary English. Specific terms that I use in this First Release have the following meanings:

- A. I, me, and my means Steven Snyder and anyone who has or obtains any legal rights or claims through Steven Snyder.
- B. Digi means Digi International Inc., any entity related to Digi International Inc. in the present or past (including without limitation, its predecessors, parents, subsidiaries, members, affiliates, and divisions) and any successors of Digi International Inc.
- C. Company means Digi; the present and past officers, directors, members, committees, shareholders (together with any officers, partners, managers members, employees, agents and affiliates of any such shareholder), agents, and employees of Digi; any company providing insurance to Digi in the present or past; the present and past employee benefit plans sponsored or maintained by Digi (other than multiemployer plans) and the present and past fiduciaries of such plans; the attorneys for Digi; and anyone who acted on behalf of Digi or on instructions from Digi.
- D. Agreement means the Transition Agreement between Digi and me that I am executing on the same date on which I execute this First Release, including all of the documents attached to the Agreement.
- E. My Claims means all of my rights that I now have to any relief of any kind from the Company, including without

limitation:

1. all claims arising out of or relating to my employment with Digi or the termination of that employment;
2. all claims arising out of or relating to the statements, actions, or omissions of the Company;
3. all claims arising out of or relating to any agreements (whether express or implied) to which I and the Company are parties;
4. all claims for any alleged unlawful discrimination, harassment, retaliation or reprisal, or other alleged unlawful practices arising under any federal, state, or local statute, ordinance, or regulation, including without limitation, claims under Title VII of the Civil Rights Act of 1964 and 1991, the Americans with Disabilities Act, the Rehabilitation Act of 1973, the Age Discrimination in Employment Act, 42 U.S.C. § 1981, the Employee Retirement Income Security Act, the Equal Pay Act, the Family Medical Leave Act, the Lilly Ledbetter Fair Pay Act of 2009, the Worker Adjustment and Retraining Notification Act, the Fair Credit Reporting Act, the Genetic Information Nondiscrimination Act, the Minnesota Human Rights Act and workers' compensation non-interference or non-retaliation statutes;
5. all claims for alleged wrongful discharge; breach of contract; breach of implied contract; failure to keep any promise; breach of a covenant of good faith and fair dealing; breach of fiduciary duty; estoppel; my activities, if any, as a "whistleblower"; defamation; infliction of emotional distress; fraud; misrepresentation; negligence; harassment; retaliation or reprisal; constructive discharge; assault; battery; false imprisonment; invasion of privacy; interference with contractual or business relationships; any other wrongful employment practices; and violation of any other principle of common law;
6. all claims for compensation of any kind, including without limitation, bonuses, commissions, equity awards or equity-based compensation in any form (including without limitation restricted units, unit options and any other form of equity-based compensation), vacation pay, perquisites, and expense reimbursements;
7. all claims for back pay, front pay, reinstatement, other equitable relief, compensatory damages, damages for alleged personal injury, liquidated damages, and punitive damages;
8. all claims that a past unlawful decision has or has had a continuing effect on my compensation; and
9. all claims for attorneys' fees, costs, and interest.

However, My Claims do not include (i) any claims that the law does not allow to be waived, (ii) any claims that may arise after the date on which I sign this First Release, (iii) any claims for unemployment benefits, or (iv) any claims for breach of the Agreement.

Agreement to Release My Claims. I will receive consideration from Digi as set forth in the Agreement if I sign and do not rescind this First Release as provided below. I understand and acknowledge that that consideration is in addition to anything of value that I would be entitled to receive from Digi if I did not sign this First Release or if I rescinded this First Release. In exchange for that consideration I give up and release all of My Claims. I will not make any demands or claims against the Company for compensation or damages relating to My Claims. The consideration that I am receiving is a fair compromise for the release of My Claims.

Additional Agreements and Understandings. Even though Digi will provide consideration for me to settle and release My Claims, the Company does not admit that it is responsible or legally obligated to me. In fact, the Company denies that it is responsible or legally obligated to me for My Claims, denies that it engaged in any unlawful or improper conduct toward me, and denies that it treated me unfairly.

Advice to Consult with an Attorney. I understand and acknowledge that I am hereby being advised by the Company to consult with an attorney prior to signing this First Release. My decision whether to sign this First Release is my own voluntary decision made with full knowledge that the Company has advised me to consult with an attorney.

Period to Consider the Release. I understand that I have 21 days from the day that I receive this First Release, not counting the day upon which I receive it, to consider whether I wish to sign this First Release. If I sign this First Release before the end of the 21-day period, it will be my voluntary decision to do so because I have decided that I do not need any additional time to decide whether to sign this First Release. I also agree that any changes made to this First Release or to the Agreement before I sign it, whether material or immaterial, will not restart the 21-day period.

My Right to Rescind this Release. I understand that I may rescind this First Release at any time within 15 days after I sign it, not counting the day upon which I sign it. This First Release will not become effective or enforceable unless and until the 15-day rescission period has expired without my rescinding it.

Procedure for Accepting or Rescinding the Release. To accept the terms of this First Release, I must deliver this First Release, after I have signed and dated it, to Digi's legal counsel by hand or by mail within the 21-day period that I have to consider this First

Release. To rescind my acceptance, I must deliver a written, signed statement that I rescind my acceptance to Digi by hand or by mail within the 15-day revocation period. All deliveries must be made to Digi's legal counsel at the following address:

Amy C. Seidel
Faegre Baker Daniels LLP
2200 Wells Fargo Center
90 South Seventh Street
Minneapolis, MN 55402-3901

If I choose to deliver my acceptance or the rescission of my acceptance by mail, it must be (1) postmarked within the period stated above; and (2) properly addressed to Digi's legal counsel at the address stated above.

Interpretation of the Release. This First Release should be interpreted as broadly as possible to achieve my intention to resolve all of My Claims against the Company. If this First Release is held by a court to be inadequate to release a particular claim encompassed within My Claims, this First Release will remain in full force and effect with respect to all the rest of My Claims.

My Representations. I am legally able and entitled to receive the consideration being provided to me in settlement of My Claims. I have not been involved in any personal bankruptcy or other insolvency proceedings at any time since I began my employment with Digi. No child support orders, garnishment orders, or other orders requiring that money owed to me by Digi be paid to any other person are now in effect.

I have read this First Release carefully. I understand all of its terms. In signing this First Release, I have not relied on any statements or explanations made by the Company except as specifically set forth in the Agreement. I am voluntarily releasing My Claims against the Company. I intend this First Release and the Agreement to be legally binding.

Dated:

Steven Snyder

EXHIBIT B

SECOND RELEASE BY STEVEN SNYDER

Definitions. I intend all words used in this Second Release to have their plain meanings in ordinary English. Specific terms that I use in this Second Release have the following meanings:

- A. I, me, and my means Steven Snyder and anyone who has or obtains any legal rights or claims through Steven Snyder.
- B. Digi means Digi International Inc., any entity related to Digi International Inc. in the present or past (including without limitation, its predecessors, parents, subsidiaries, members, affiliates, and divisions) and any successors of Digi International Inc.
- C. Company means Digi; the present and past officers, directors, members, committees, shareholders (together with any officers, partners, managers members, employees, agents and affiliates of any such shareholder), agents, and employees of Digi; any company providing insurance to Digi in the present or past; the present and past employee benefit plans sponsored or maintained by Digi (other than multiemployer plans) and the present and past fiduciaries of such plans; the attorneys for Digi; and anyone who acted on behalf of Digi or on instructions from Digi.
- D. Agreement means the Transition Agreement between Digi and me that I signed on ____, including all of the documents attached to the Agreement.
- E. My Claims means all of my rights that I now have to any relief of any kind from the Company, including without limitation:
 - 1. all claims arising out of or relating to my employment with Digi or the termination of that employment;
 - 2. all claims arising out of or relating to the statements, actions, or omissions of the Company;
 - 3. all claims arising out of or relating to any agreements (whether express or implied) to which I and the Company are parties;
 - 4. all claims for any alleged unlawful discrimination, harassment, retaliation or reprisal, or other alleged unlawful practices arising under any federal, state, or local statute, ordinance, or regulation, including without limitation, claims under Title VII of the Civil Rights Act of 1964 and 1991, the Americans with Disabilities Act, the Rehabilitation Act of 1973, the Age Discrimination in Employment Act, 42 U.S.C. § 1981, the Employee Retirement Income Security Act, the Equal Pay Act, the Family Medical Leave Act, the Lilly Ledbetter Fair Pay Act of 2009, the Worker Adjustment and Retraining Notification Act, the Fair Credit Reporting Act, the Genetic Information

Nondiscrimination Act, the Minnesota Human Rights Act, the Minneapolis Civil Rights Ordinance, the Minnesota Business Corporations Act, and workers' compensation non-interference or non-retaliation statutes;

5. all claims for alleged wrongful discharge; breach of contract; breach of implied contract; failure to keep any promise; breach of a covenant of good faith and fair dealing; breach of fiduciary duty; estoppel; my activities, if any, as a "whistleblower"; defamation; infliction of emotional distress; fraud; misrepresentation; negligence; harassment; retaliation or reprisal; constructive discharge; assault; battery; false imprisonment; invasion of privacy; interference with contractual or business relationships; any other wrongful employment practices; and violation of any other principle of common law;
6. all claims for compensation of any kind, including without limitation, bonuses, commissions, equity awards or equity-based compensation in any form (including without limitation restricted units, unit options and any other form of equity-based compensation), vacation pay, perquisites, and expense reimbursements;
7. all claims for back pay, front pay, reinstatement, other equitable relief, compensatory damages, damages for alleged personal injury, liquidated damages, and punitive damages;
8. all claims that a past unlawful decision has or has had a continuing effect on my compensation; and
9. all claims for attorneys' fees, costs, and interest.

However, My Claims do not include (i) any claims that the law does not allow to be waived, (ii) any claims that may arise after the date on which I sign this First Release, (iii) any claims for unemployment benefits, or (iv) any claims for breach of the Agreement.

Agreement to Release My Claims. I will receive consideration from Digi as set forth in the Agreement if I sign and do not rescind this Second Release as provided below. I understand and acknowledge that that consideration is in addition to anything of value that I would be entitled to receive from Digi if I did not sign this Second Release or if I rescinded this Second Release. In exchange for that consideration I give up and release all of My Claims. I will not make any demands or claims against the Company for compensation or damages relating to My Claims. The consideration that I am receiving is a fair compromise for the release of My Claims.

Additional Agreements and Understandings. Even though Digi will provide consideration for me to settle and release My Claims, the Company does not admit that it is responsible or legally obligated to me. In fact, the Company denies that it is responsible or legally obligated to me for My Claims, denies that it engaged in any unlawful or improper conduct toward me, and denies that it treated me unfairly.

Confidentiality. I understand that the terms of this Second Release are confidential and that I may not disclose those terms to any person except under the limited circumstances described in the Agreement.

Advice to Consult with an Attorney. I understand and acknowledge that I am hereby being advised by the Company to consult with an attorney prior to signing this Second Release and I have done so. My decision whether to sign this Second Release is my own voluntary decision made with full knowledge that the Company has advised me to consult with an attorney.

Period to Consider the Release. I understand that I have 21 days after the day I receive this Second Release or the last day of my employment with Digi, whichever is later, to consider whether I wish to sign this Second Release. If I sign this Second Release before the end of the 21-day period immediately following the termination of my employment, it will be my voluntary decision to do so because I have decided that I do not need any additional time to decide whether to sign this Second Release. I also agree that any changes made to this Second Release or to the Agreement before I sign it, whether material or immaterial, will not restart the 21-day period.

My Right to Rescind this Release. I understand that I may rescind this Second Release at any time within 15 days after I sign it, not counting the day upon which I sign it. This Second Release will not become effective or enforceable unless and until the 15-day rescission period has expired without my rescinding it.

Procedure for Accepting or Rescinding the Release. To accept the terms of this Second Release, I must deliver this Second Release, after I have signed and dated it, to Digi by hand or by mail within the 21-day period that I have to consider this Second Release. To rescind my acceptance, I must deliver a written, signed statement that I rescind my acceptance to Digi by hand or by mail within the 15-day revocation period. All deliveries must be made to Digi's legal counsel at the following address:

Amy C. Seidel
Faegre Baker Daniels LLP
2200 Wells Fargo Center
90 South Seventh Street
Minneapolis, MN 55402-3901

If I choose to deliver my acceptance or the rescission of my acceptance by mail, it must be (1) postmarked within the period stated above; and (2) properly addressed to Digi's legal counsel at the address stated above.

Interpretation of the Release. This Second Release should be interpreted as broadly as possible to achieve my intention to resolve all of My Claims against the Company. If this Second Release is held by a court to be inadequate to release a particular claim encompassed within My Claims, this Second Release will remain in full force and effect with respect to all the rest of My Claims.

My Representations. I am legally able and entitled to receive the consideration being provided to me in settlement of My Claims. I have not been involved in any personal bankruptcy or other insolvency proceedings at any time since I began my employment with Digi. No child support orders, garnishment orders, or other orders requiring that money owed to me by Digi be paid to any other person are now in effect.

I represent and confirm that I have been fully paid for all wages, overtime, commissions, bonuses, and other compensation that I have earned through the date of this Second Release.

I have read this Second Release carefully. I understand all of its terms. In signing this Second Release, I have not relied on any statements or explanations made by the Company except as specifically set forth in the Agreement. I am voluntarily releasing My Claims against the Company. I intend this Second Release and the Agreement to be legally binding.

Dated: ____

Steven Snyder

March 6, 2015

Mr. Michael Goergen
15710 – 52nd Ave. N.
Plymouth, MN 55446

Dear Mike,

On behalf of Digi International Inc., I am pleased to offer you employment as Sr. Vice President, Chief Financial Officer and Treasurer reporting to Ron Konezny. The offer is subject to the terms of the Contingent Offer section below.

Compensation

Your annualized total compensation target for this position is \$464,000. The annualized base salary is \$290,000 with an annualized incentive target of \$174,000.

You will participate in Digi International's Executive Incentive Plan. For the current fiscal year, your plan will contain the following components:

Quarterly Performance: 40% of your incentive target will be based on achievement of quarterly revenue and profitability targets of the Company.

Annual Performance: 60% of your incentive target will be based on achievement of the annual revenue and profitability targets of the Company.

All payments will be pro-rated based on length of service in the quarter/fiscal year.

Initial Equity Award

We will recommend to the Board of Directors an initial grant of 100,000 stock options. The Options will have a per share exercise price equal to the closing sale price of a share of common stock on the Grant Date. Twenty-five percent of the Options will vest on the first anniversary date of the Grant Date. Subsequent to the first anniversary date, your Options will vest monthly, with full vesting at four years. If, within one year following a change in control, your employment is terminated either by the Company without cause or by you for good reason then any unvested Options shall be accelerated and immediately vested. The Options will have a term of eight years. The Grant Date will be the first day that the Digi International trading window is open or after your start date.

In addition, we will recommend to the Board of Directors a Restricted Stock award of 50,000 shares. Twenty-five percent of the Restricted Stock Unit award will vest on each of the first four anniversary dates of the Grant Date (except for such earlier vesting as is otherwise provided in the Company's 2014 Omnibus Incentive Plan or in the applicable Restricted Stock Unit agreement between you and the Company). If, within one year following a change in control, your employment is terminated either by the Company without cause or by you for good reason, then any unvested Restricted Stock Award shall be accelerated and immediately vested. The Grant Date will be the first day that the Digi International trading window is open or after your start date.

Benefits

Digi offers a comprehensive benefit program which includes Medical, Dental, Vision, Life and Disability Insurance, Medical and Dependent Care Reimbursement Plans, 401(k) Savings Plan, Employee Stock Purchase Plan, and a Tuition Reimbursement Program. You will be eligible for participation in Digi's health insurance programs on the first day of active employment with the company and will be eligible for participation in the 401(k) Savings Plan on the first day of the month following such date of active employment. You are eligible to enroll in the Stock Purchase Plan on the first of any January, April, July and October.

You will be eligible to participate in Digi's \$500,000 Executive Life Insurance program. If accepted by the carrier, Digi International will pay the full annual premium. This is in addition to the basic and optional life insurance programs offered to all employees.

Vacation eligibility begins on the date of hire. Upon hire, you will receive four weeks of vacation. You will not accrue above or below this amount regardless of time taken. Should you leave the company at any point in the future, you will be paid for four weeks of accrued vacation.

Severance Agreement

If Digi International should terminate your employment at any time in the future for reasons other than Cause, you will be provided with the following severance package in exchange for a full release of claims against the Company:

- 1) Twelve months of base salary in effect at the time of termination. This shall be paid in a lump sum as soon as administratively feasible after the later of the date of termination or the date the release of claims has become irrevocable.
- 2) A pro-rata bonus based on number of months worked in the fiscal year prior to a qualifying termination and the Company's actual performance against annual objections. This pro-rata bonus shall be paid no later than 2.5 months after the close of the fiscal year in which the qualifying termination occurs.

For purposes of this agreement, "Cause" shall mean only the following: (i) indictment or conviction of, or a plea of nolo contendere to, (A) any felony (other than any felony arising out of negligence), or any misdemeanor involving moral turpitude with respect to the Company, or (B) any crime or offense involving dishonesty with respect to the Company; (ii) theft or embezzlement of Company property or commission of similar acts involving dishonesty or moral turpitude; (iii) material negligence in the performance of your job duties after notice; (iv) failure to devote

substantially all of his working time and efforts during normal business hours to the Company's business; or (v) knowing engagement in conduct which is materially injurious to the Company.

Contingent Offer

This offer of employment is contingent upon the following:

1. Your signature on the enclosed Digi International Employment, Confidential Information, and Arbitration Agreement. Your signature constitutes acceptance of the terms and conditions contained in the Agreement, so please read it thoroughly prior to signing. This agreement must be signed prior to your first day of employment.
2. A finding of "no issue" with your background and reference check. Digi International has partnered with Verified Credentials, a background screening organization, to administer confidential background checks. Within 48 hours, we ask that you visit Verified Credential website at <http://myvci.com/digiinternationalinc> to complete a personal questionnaire using your **full legal name including middle initial**. If you are unable to access the internet within this timeframe, please contact me to further assist you in the process. If information is revealed after your start date, Digi has the right to terminate employment without prior notice.
3. Digi's determination that you are not subject to any agreement with any former employer or any other party that would prohibit you from working in the position of Sr. Vice President, Chief Financial Officer and Treasurer.
4. Your election as an officer by the Board of Directors.

At Will Employment

Employment with Digi International Inc. is "at will," which means that it is for no definite period and may be terminated by either you or Digi at any time for any reason without prior notice. Your signature on this offer letter indicates that you understand, agree, and acknowledge that any reliance on any statements by any representative of the company contrary to this "at will" arrangement is unreasonable and may not form any basis for my reliance thereon.

Commencement Date and Offer Acceptance

We would like you to start on April 6, 2015. Please inform me of your acceptance of this offer by March 13, 2015 and acknowledge your acceptance by signing one of the enclosed copies.

Sincerely,

Digi International Inc.

/s/ Tracy Roberts

Tracy Roberts
VP, Talent & Information Technology

Offer accepted:

/s/ Michael Goergen
Michael Goergen

March 7, 2015
Date

April 13, 2015
Start Date

**DIGI INTERNATIONAL ANNOUNCES APPOINTMENT OF NEW CFO
Trimble executive Michael Goergen to replace retiring Steve Snyder**

MINNETONKA, MN, March 26, 2015 – Digi International® , (NASDAQ: [DGII](#)), announced today that Michael C. Goergen has been appointed as Senior Vice President, Chief Financial Officer and Treasurer of the company effective April 20, 2015.

Goergen, most recently served as Senior Vice President of Finance for the Transport – Logistics division of Trimble Navigation Limited (NASDAQ: [TRMB](#)) from April 2013 to March 2015, where he was instrumental in helping the division achieve consistent, profitable revenue growth.

Prior to Trimble, Goergen served as Chief Financial Officer of PeopleNet, a leading provider of Telematics solutions to the transportation industry. PeopleNet was acquired by Trimble in 2011.

“We are pleased to welcome Mike to Digi,” said Digi President and CEO Ron Konezny. “Mike has held several challenging financial leadership roles and has an outstanding track record of managing day-to-day financial and business operations. He is distinctly qualified to serve as our Chief Financial Officer and we look forward to leveraging his expertise.”

Goergen replaces Steven E. Snyder, Senior Vice President, Chief Financial Officer and Treasurer, who has announced his retirement. He will be leaving the company after a transition period. “I want to thank Steve for his leadership, efforts and many contributions to Digi and wish him all the best in his retirement,” said Konezny.

About Digi International

Digi International (NASDAQ:DGII) is the M2M solutions expert, combining products and services as end-to-end solutions to drive business efficiencies. Digi provides the industry’s broadest range of wireless products, a cloud platform for device management, and development services to help customers get to market fast with wireless devices and applications. Digi’s entire solution set is tailored to allow any device to communicate with any application, anywhere in the world. For more information, visit Digi’s website at www.digi.com, or call 877-912-3444 (U.S.) or 952-912-3444 (International).

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