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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):

December 3, 2014

Digi International Inc.

(Exact name of registrant as specified in its charter)

Delaware

001-34033

41-1532464

(State or other jurisdiction  
of incorporation)

(Commission  
File Number)

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

11001 Bren Road East, Minnetonka, Minnesota

55343

(Address of principal executive offices)

(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 December 3, 2014, we announced that our Board of Directors elected Ron Konezny as our President and Chief Executive Officer, effective December 17, 2014. Mr. Konezny was also elected as a director effective upon the commencement of his employment. Mr. Konezny succeeds Joseph T. Dunsmore, who previously announced his decision to retire as Chairman, President and Chief Executive Officer with us by December 31, 2014. Mr. Dunsmore will cease serving as an officer and director on December 17, 2014 and will remain an employee through December 31, 2014 in order to facilitate a smooth transition pursuant to his previously disclosed transition agreement. A copy of our press release announcing Mr. Konezny's appointment is attached hereto as Exhibit 99.1. It includes a description of Mr. Konezny's business experience, which is incorporated herein by reference.

In connection with Mr. Konezny's election, we entered into an employment agreement with him setting forth the terms of his employment as President and Chief Executive Officer. Pursuant to the agreement, we agreed to pay Mr. Konezny an annual base salary of \$450,000, which will be reviewed annually and may be adjusted by the compensation committee, provided that his base salary can only be decreased as part of an across-the-board reduction affecting all senior executives. Mr. Konezny will be entitled to an annual incentive cash bonus targeted at 100% of his base salary, provided that the objectives set by the compensation committee are met. The compensation committee will determine any equity awards to be granted to Mr. Konezny beyond the initial grants below described. Mr. Konezny will be entitled to the benefits and perquisites provided by us to the extent he satisfies the eligibility requirements, including a \$500,000 supplemental life insurance policy.

In connection with the commencement of his employment, Mr. Konezny will receive an initial sign-on bonus in the amount of \$400,000, which amount must be repaid to us if, during the first year of his employment, he resigns for any reason other than death, disability, or for good reason following a change in control.

The employment agreement provides for two equity awards in connection with Mr. Konezny's commencement of employment. He will receive a stock option to purchase 325,000 shares of our common stock, which will vest as to 25% of the shares on each of the first four anniversaries of the date of grant, and will have a term of eight years. He will also receive a restricted stock unit in the amount of 175,000 shares of our common stock, which will vest as to 25% of the shares on each of the first four anniversaries of the grant date. The equity awards granted to Mr. Konezny in connection with the commencement of his employment will, in connection with a change in control, vest as to the tranche of shares scheduled to vest on the immediately following vesting date. They will vest as to all shares if his employment is terminated without cause or terminates for good reason within one year of the change in control.

If Mr. Konezny's employment is terminated by us without cause after the first year of his employment, Mr. Konezny will receive (i) severance pay at a rate equal to his base salary for a period of 12 months following termination, paid in installments on regular payroll dates during that period, (ii) benefits continuation for a period of 12 months following termination and (iii) a pro rata portion of any bonus that would have been payable to him for the fiscal year during which his employment terminated, based on actual results. If Mr. Konezny's employment is terminated by us without cause during the first year of his employment, he shall receive the same benefits as described above, except that the severance pay shall be equal to 18 months of base salary, the benefits continuation shall extend for 18 months and the amount of the bonus paid to him shall be \$400,000, which is his initial target annual incentive bonus. Payment of the severance benefits described above shall be subject to Mr. Konezny signing and not rescinding a release of claims in favor of us, and his continued compliance with the restrictive covenants in his employment agreement.

The employment agreement contains restrictive covenants that preclude Mr. Konezny from competing with us and from soliciting our customers, suppliers and employees during the term of his employment and for a period of one year thereafter. A copy of Mr. Konezny's employment agreement is attached hereto as Exhibit 10.1.

**Item 5.03 Amendments to Articles of Incorporation or Bylaws; Change in Fiscal Year.**

Effective upon the election of Mr. Konezny, the Board approved certain amendments to modernize our By-Laws. The substantive amendments to the By-Laws include (i) clarifying that the role of Chairman of the Board is not itself an officer position (which change facilitates the appointment of an independent non-executive Chairman of the Board) and (ii) clarifying situations where electronic communications may be used for certain notices and communications. The By-Laws, as amended and restated, are attached hereto as Exhibit 3.2.

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**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.

December 5, 2014

By: *Steven E. Snyder*

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*Name: Steven E. Snyder*

*Title: Senior Vice President, Chief Financial Officer and Treasurer*

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Exhibit Index

| <u>Exhibit No.</u> | <u>Description</u>   |
|--------------------|--|
| 3.2                | Amended and Restated Bylaws Effective December 17, 2014  |
| 10.1               | Employment Agreement between Digi International Inc. and Ronald E. Konezny dated November 26, 2014 |
| 99.1               | Press Release dated December 3, 2014 Announcing New Chief Executive Officer                        |

BY-LAWS OF  
DIGI INTERNATIONAL INC.  
AS AMENDED AND RESTATED AS OF DECEMBER 17, 2014  
I. OFFICES

Section 1.01. Registered Office. The Corporation shall maintain a registered office and registered agent within the State of Delaware at such place within such State as may be designated from time to time by the Board of Directors of the Corporation.

Section 1.02. Other Offices. The Corporation also may have offices at such other places both within and without the State of Delaware as the Board of Directors may from time to time determine.

II. STOCKHOLDERS

Section 2.01. Place of Meetings. Meetings of stockholders may be held at the principal executive offices of the Corporation or at such other place, either within or without the State of Delaware, as may be designated by the Board of Directors or the chief executive officer of the Corporation.

Section 2.02. Annual Meetings and Advance-Notice of Business, Other than Director Nominations and Elections. An annual meeting of stockholders shall be held in each calendar year for the election of directors on such date and at such time as shall be designated from time to time by the Board of Directors. At any annual meeting of stockholders of the Corporation, the proposal of business (other than the nomination and election of directors, which shall be subject to Section 3.13) to be considered by the stockholders may be made (i) pursuant to the Corporation's notice of the meeting (or any supplement thereto), (ii) by or at the direction of the Board of Directors, or (iii) by any stockholder of record of the Corporation entitled to vote on the business at the meeting who complies with the notice procedures hereinafter set forth in this Section.

(a) Timing of Notice. For such business to be properly brought before any annual meeting by a stockholder, a stockholder's notice of any such business to be conducted at such meeting must be delivered to the Secretary of the Corporation, or mailed to and received at the principal executive office of the Corporation, not less than one hundred twenty (120) days before the first anniversary of the date of the preceding year's annual meeting of stockholders. If, however, the date of the annual meeting of stockholders is more than thirty (30) days before or sixty (60) days after such anniversary date, notice by a stockholder shall be timely only if so delivered or so mailed and received not less than one hundred twenty (120) days before such annual meeting or, if later, within ten (10) days after the first public announcement of the date of such annual meeting. Except to the extent otherwise required by law, the adjournment of an annual meeting of stockholders shall not commence a new time period for the giving of a stockholder's notice as required above. Nothing in this Section shall reduce or otherwise affect the notice period required under Rule 14a-8 under the Securities Exchange Act of 1934, as amended (the "Exchange Act") in order for a stockholder to have the right, under Rule 14a-8, to include or have disseminated or described in the Corporation's proxy statement or on the proxy card of the Board of Directors for any annual meeting of stockholders any stockholder proposal.

(b) Content of Notice. A stockholder's notice to the Corporation for an annual meeting of stockholders shall set forth as to each matter the stockholder proposes to bring before the annual meeting (i) a brief description of the business desired to be brought before the meeting and the reasons for conducting such business at the meeting, (ii) the name and address, as they appear on the Corporation's books, of the stockholder proposing such business and the name and address of any beneficial owner on whose behalf the proposal is made, (iii) the information required by clause (b)(y)(ii) of Section 3.13 with respect to such stockholder and any such beneficial owner, (iv) any material interest in such business of the stockholder or any such beneficial owner, and (v) a representation and other appropriate evidence that the stockholder is a holder of record of shares of stock entitled to vote on such business at the meeting, will continue to be a holder of record of shares of stock entitled to vote on such business through the date of the meeting, and intends to appear in person or by proxy at the meeting to make the proposal.

(c) Consequences of Failure to Give Proper Notice. Notwithstanding anything in these By-Laws to the contrary, no business (other than the nomination and election of directors, which shall be subject to Section 3.13) shall be conducted at any annual meeting except in accordance with the procedures set forth in this Section. The presiding Officer of the meeting shall, if the facts warrant, determine that business was not properly brought before the meeting in accordance with the procedures described in this Section and, if the presiding Officer should so determine, the presiding Officer shall so declare to the meeting, and any such business not properly brought before the meeting shall not be transacted. Nothing in this Section shall be deemed to preclude discussion by any stockholder of any business properly brought before the meeting in accordance with these By-Laws.

(d) Public Announcement. For purposes of this Section and Section 3.13, "public announcement" means disclosure (i) when made in a press release reported by the Dow Jones News Service, Associated Press, or comparable national news service, (ii) when filed in a document publicly filed by the Corporation with the Securities and Exchange Commission pursuant to Section 13, 14, or 15(d) of the Exchange Act, or (iii) when mailed as the notice of the meeting (or any supplement) pursuant to Section 2.04 of the By-Laws.

(e) Compliance with Laws. Notwithstanding the foregoing provisions of this Section, a stockholder shall also comply with all applicable requirements of Delaware law and the Exchange Act and the rules and regulations thereunder with respect to the matters set forth in this Section and in Section 3.13.

Section 2.03. Special Meetings. Unless otherwise specifically provided by law or the Certificate of Incorporation, a special meeting of stockholders, for any purpose or purposes, may be called only by the Chairman or the Chief Executive Officer and shall be called by either such officer upon the written request of a majority of the Board of Directors or by a committee of the Board of Directors which has been duly designated by the Board of Directors, and whose powers and authority, as expressly provided in a resolution of the Board of Directors, include the power to call such meetings. Such request shall state the purpose or purposes of the proposed meeting. If the authorized officers fail to cause such meeting to be called within thirty (30) days after receipt of such request and held within ninety (90) days after receipt of such request, the directors making the request may call the meeting by giving notice as provided in these By-Laws at the expense of the Corporation. Business transacted at any special meeting shall be limited to the purposes stated in the notice of the meeting.

Section 2.04. Notice of Meetings. A written notice stating the place, date and hour of the meeting and, in the case of a special meeting, the purpose or purposes for which the meeting is called, or a separate written notice of the posting of such information on an electronic network (such as a website), shall be personally delivered or mailed, postage prepaid, not less than ten (10) nor more than sixty (60) days before the date of such meeting to each stockholder of record of the Corporation entitled to vote at such meeting at the stockholder's mailing address shown upon the records of the Corporation. Service of notice is complete upon mailing.

Section 2.05. Waiver of Notice. Notice of any annual or special meeting of stockholders may be waived either before, at or after such meeting in a writing signed by the person or persons entitled to the notice. Attendance of a person at a meeting shall constitute a waiver of notice of such meeting, except when the person attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transacting of any business because the meeting is not lawfully called or convened.

Section 2.06. Quorum. At each meeting of stockholders, except where otherwise provided by law or the Certificate of Incorporation or these By-Laws, the holders of a majority of the outstanding capital stock entitled to vote at the meeting, present in person or represented by proxy, shall constitute a quorum. If a quorum is once present at the meeting, the stockholders may continue to transact business until adjournment notwithstanding the withdrawal of enough stockholders to leave less than a quorum.

Section 2.07. Adjourned Meetings. The Corporation may adjourn the meeting from time to time to a later day or hour or to another place. If the adjournment is for more than thirty (30) days, or if after adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting. Otherwise, notice of any adjourned meeting need not be given if the time and place thereof are announced at the meeting at which the adjournment is taken. At an adjourned meeting at which a quorum is present or represented by proxy, any business may be transacted which might have been transacted at the meeting as originally convened.

Section 2.08. Voting. Unless otherwise provided in the Certificate of Incorporation, each stockholder entitled to vote at any meeting of stockholders shall have one vote for each share of stock having voting power upon the matter in question which is held by such stockholder and registered in the stockholder's name on the books of the Corporation as of the applicable record date. All elections of directors shall be conducted by written ballot, unless the Certificate of Incorporation otherwise provides. The vote upon any other question before a meeting need not be by written ballot, and need not be conducted by inspectors, unless otherwise determined by the Board of Directors or the officer presiding at the meeting. At all meetings of stockholders for the election of directors a plurality of the votes cast shall be sufficient to elect such directors. All other elections and questions at a meeting shall be decided by a majority vote of the number of shares entitled to vote represented at the meeting at the time of the vote except where otherwise required by statute, the Certificate of Incorporation or these By-Laws.

Section 2.09. Proxies. Each stockholder entitled to vote at a meeting of stockholders may authorize another person or persons to act for him or her by proxy in any manner, including without limitation via telephone, Internet or such other manner as permitted by Section 212 of the Delaware General Corporation Law, as amended from time to time, provided that such authorization sets forth or contains information from which the Corporation can determine that the authorization was granted by the stockholder. If the authorization is granted in a manner other than in a written form, the proxy holder shall provide such reasonable verification as required by the Corporation. If any such authorization designates two or more persons to act as proxies, a majority of such persons present at the meeting, or, if only one shall be present, then that one, shall have and may exercise all of the powers conferred by such authorization upon all of the persons so designated unless such authorization shall otherwise provide.

#### Section 2.10. Fixing Date for Determination of Stockholders of Record.

(a) In order that the Corporation may determine the stockholders entitled (i) to notice of or to vote at any meeting of stockholders or any adjournment thereof, or (ii) to express consent to corporate action in writing without a meeting, or (iii) to receive payment of any dividend or other distribution or allotment of any rights, or to exercise any rights in respect of any change, conversion or exchange of stock, or for the purpose of any other lawful action, the Board of Directors may fix, in advance, a record date, which shall be (X) not more than sixty (60) nor less than ten (10) days before the date of any such meeting; (Y) not more than ten (10) days after the date upon which the resolution fixing the record date for any written action is adopted by the Board of Directors; and (Z) not more than sixty (60) days prior to any other action.

(b) If no record date is fixed:

(i) The record date for determining stockholders entitled to notice of or to vote at a meeting of stockholders shall be at the close of business on the day next preceding the day on which notice is given, or, if notice is waived, at the close of business on the day next preceding the day on which the meeting is held.

(ii) The record date for determining stockholders entitled to express consent to corporate action in writing without a meeting, (A) when no prior action by the Board of Directors is necessary, shall be the day on which the first signed written consent setting forth the action taken or proposed to be taken is delivered to the Corporation, and (B) when prior action by the Board of Directors is necessary, shall be at the close of business on the day on which the Board of Directors adopts the resolution taking such prior action.

(iii) The record date for determining stockholders for any other purpose shall be at the close of business on the day on which the Board of Directors adopts the resolution relating thereto.

(c) A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; provided, however, that the Board of Directors may fix a new record date for the adjourned meeting.

Section 2.11. Stockholder List. The officer of the Corporation who has charge of the stock ledger of the Corporation shall prepare and make, at least ten (10) days before every meeting of stockholders, a complete list of the stockholders entitled to vote at the meeting, arranged in alphabetical order, and showing the address of each stockholder and the number of shares registered in the name of each stockholder. Such list shall be open to the examination of any stockholder, for any purpose germane to the meeting, during ordinary business hours, for a period of at least ten (10) days prior to the meeting, either at a place within the city where the meeting is to be held, which place shall be specified in the

notice of the meeting, or, if not so specified, at the place where the meeting is to be held. The list also shall be produced and kept at the time and place of the meeting during the whole time thereof, and may be inspected by any stockholder who is present. The stock ledger shall be the only evidence as to who are the stockholders entitled to examine the stock ledger, the list of stockholders or the books of the Corporation, or to vote in person or by proxy at any meeting of stockholders.

### III. BOARD OF DIRECTORS

Section 3.01. General Powers; Organization. The business of the Corporation shall be managed by or under the direction of its Board of Directors, which may exercise all such powers of the Corporation and do all such lawful acts and things as are not by statute or by the Certificate of Incorporation or by these By-Laws directed or required to be exercised or done by the stockholders. The Board of Directors may annually elect a Chairman of the Board from among its members who shall preside at its meetings, or in his or her absence the Chief Executive Officer shall so preside, or in his or her absence a chairman chosen at the meeting shall so preside. The Secretary shall act as secretary of the meeting, but in his or her absence the chairman of the meeting may appoint any person to act as secretary of the meeting. Any meeting of the Board of Directors may be held within or without the State of Delaware.

Section 3.02. Number, Qualification and Term of Office. The number of directors constituting the Board of Directors shall be fixed from time to time by resolution of the Board of Directors. The directors shall be elected at the annual meeting of the stockholders, except as provided in Section 3.03 of these By-Laws, and each director elected shall hold office for the term elected and until his or her successor is duly elected and qualified. Any director may resign at any time upon giving written notice to the Corporation. Directors need not be stockholders.

Section 3.03. Vacancies.

(a) Vacancies and newly created directorships resulting from any increase in the authorized number of directors may be filled by a majority of the directors then in office, in their sole discretion and whether or not constituting less than a quorum, and the directors so chosen shall hold office until the next election of the class for which such directors shall have been chosen and until their successors to such class are duly elected and qualified, or until their earlier resignation, retirement or removal.

(b) Whenever the holders of any class or classes of stock or series thereof are entitled to elect one or more directors by the provisions of the Certificate of Incorporation of the Corporation, vacancies and newly created directorships of such class or classes or series may be filled by a majority of the directors elected by such class or classes or series thereof then in office, or by a sole remaining director so elected.

Section 3.04. Regular Meetings. Regular meetings of the Board of Directors may be held without notice at such time and place as may be designated from time to time by the Board of Directors.

Section 3.05. Special Meetings. Special meetings of the Board of Directors may be called from time to time by the Chairman, if any, or the Chief Executive Officer, and, upon request by any two directors, shall be called by the Chairman or the Chief Executive Officer.

Section 3.06. Notice of Special Meetings. Notice of each special meeting of the Board of Directors stating the place, date and hour of the meeting shall be given to each director by mail not less than forty-eight (48) hours, or personally or by telephone or electronic communication not less than twenty-four (24) hours, before the date and hour of the meeting.

Section 3.07. Waiver of Notice. Notice of any meeting of the Board of Directors may be waived either before, at or after such meeting in a writing signed (or consented to by electronic communication) by each director or directors to whom the notice was not duly given. Attendance of a director at a meeting shall constitute a waiver of notice of such meeting, except when the director attends the meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened.

Section 3.08. Quorum. Unless otherwise specifically provided by law, the Certificate of Incorporation or these By-Laws, at all meetings of the Board of Directors, a majority of the total number of directors shall constitute a quorum for the transaction of business, and the vote of a majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors. If a quorum shall not be present at any meeting of the Board of Directors, the directors present thereat may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present.

Section 3.09. Committees of Directors.

(a) The Board of Directors may, by resolution adopted by a majority of the total number of directors, designate one or more committees, each committee to consist of one or more of the directors of the Corporation and to have such name as may be determined by the Board of Directors. The Board of Directors may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee.

(b) Any committee, to the extent allowed by law and provided in the resolution designating the committee, may exercise the powers of the Board of Directors in the management of the business and affairs of the Corporation and may authorize the corporate seal, if any, to be affixed to all papers that may require it.

(c) Each committee shall keep regular minutes of its proceedings and report the same to the Board of Directors when required. Unless the Board of Directors otherwise provides, each committee may make, alter and repeal rules for the conduct of its business. In the absence of such rules each committee shall conduct its business in the same manner as the Board of Directors conducts its business pursuant to these By-Laws.

Section 3.10. Conference Communications. Directors may participate in any meeting of the Board of Directors, or of any duly constituted committee thereof, by means of a conference telephone conversation or other comparable method of communication by which all persons participating in the meeting can hear and communicate with each other. For the purpose of establishing a quorum and taking any action at the meeting, such directors participating pursuant to this Section 3.10 shall be deemed present in person at the meeting; and the place of the meeting shall be the place of origination of the conference telephone conversation or other comparable method of communication.

Section 3.11. Action by Written Consent of Directors. Any action required or permitted to be taken at a meeting of the Board of Directors or any committee thereof may be taken without a meeting if all directors or committee members consent thereto in writing (including electronic communication) and the writing or writings are filed with the minutes of proceedings of the Board of Directors or the committee.

Section 3.12. Compensation. The Board of Directors shall have the authority to fix the compensation of directors.

Section 3.13. Advance-Notice of Stockholder-Sponsored Director Nominations. No person (other than a person nominated by or at the direction of the Board of Directors) shall be eligible for election as a director at any annual or special meeting of stockholders unless timely notice is given in writing of such nomination by a stockholder of record of the Corporation entitled to vote for the election of directors at the meeting who complies with the notice procedures hereinafter set forth in this Section.

(a) Timing of Notice. To be timely, a stockholder's notice of nominations to be made (i) at an annual meeting of stockholders must be delivered to the Secretary of the Corporation, or mailed to and received at the principal executive office of the Corporation, not less than one hundred twenty (120) days before the first anniversary of the date of the preceding year's annual meeting of stockholders; provided, however, that if the date of the annual meeting of stockholders is more than thirty (30) days before or sixty (60) days after such anniversary date, notice by a stockholder shall be timely only if so delivered or so mailed and received not less than one hundred twenty (120) days before such annual meeting or, if later, within ten (10) days after the first public announcement of the date of such annual meeting, and (ii) in the case of a special meeting of stockholders called for the purpose of electing directors, within ten (10) days after the first public announcement of the date of such special meeting. Except to the extent otherwise required by law, the adjournment of a meeting of stockholders shall not commence a new time period for the giving of a stockholder's notice as described above.

(b) Content of Notice. A stockholder's notice to the Corporation of nominations for a meeting of stockholders shall set forth (x) as to each person whom the stockholder proposes to nominate for election as a director: (i) such person's name, (ii) all information relating to such person that is required to be disclosed in solicitations of proxies for election of directors in an election contest, or that is otherwise required, pursuant to Regulation 14A under the Exchange Act, and (iii) such person's signed written consent to being a nominee and to serving as a director if elected; and (y) as to the stockholder giving the notice: (i) the name and address, as they appear on the Corporation's books, of such stockholder and the name and address of any beneficial owner on whose behalf the nomination is made, (ii) (A) the number of shares of stock of the Corporation of each class or series that is beneficially owned by such stockholder or any such beneficial owner, (B) any option, warrant, convertible security, stock appreciation right, swap, or similar right with an exercise or conversion privilege or a settlement payment or mechanism at a price related to any class or series of shares of stock of the Corporation or with a value derived in whole or in part from the value of any class or series of shares of stock of the Corporation, whether or not such instrument or right shall be subject to settlement in the underlying class or series of capital stock of the Corporation or otherwise (a "Derivative Instrument") owned beneficially by such stockholder or any such beneficial owner and any other opportunity to profit or share in any profit derived from any increase or decrease in the value of shares of the Corporation, (C) any proxy, contract, arrangement, understanding, or relationship pursuant to which such stockholder or any such beneficial owner has a right to vote any shares of the Corporation, (D) any short interest in any security of the Corporation (for purposes of these By-Laws, a person shall be deemed to have a "short interest" in a security if such person has the opportunity to profit or share in any profit derived from any decrease in the value of the subject security), (E) any rights to dividends on the shares of stock of the Corporation owned beneficially by such stockholder or any such beneficial owner that are separated or separable from the underlying shares of stock of the Corporation, (F) any proportionate interest in shares of stock of the Corporation or Derivative Instruments held, directly or indirectly, by a general or limited partnership in which such stockholder or any such beneficial owner is a general partner or, directly or indirectly, beneficially owns an interest in a general partner and (G) any performance-related fees (other than an asset-based fee) that such stockholder or any such beneficial owner is entitled to based on any increase or decrease in the value of shares of stock of the Corporation or Derivative Instruments, if any, as of the date of such notice, including without limitation any such interests held by members of such stockholder's or any such beneficial owner's immediate family sharing the same household (which information shall be supplemented by such stockholder not later than ten (10) days after the record date for the meeting to disclose such ownership as of the record date), (iii) a description of any material relationships, including financial transactions and compensation, between the stockholder and the proposed nominee(s), and (iv) a representation and other appropriate evidence that the stockholder is a holder of record of shares of stock of the Corporation entitled to vote for the election of directors, will continue to be a holder of record of shares of stock entitled to vote for the election of directors through the date of the meeting, and intends to appear in person or by proxy at the meeting to nominate the person or persons specified in the notice.

(c) Consequences of Failure to Give Proper Notice. Notwithstanding anything in these By-Laws to the contrary, no stockholder-sponsored nominees shall be eligible for election as a director of the Corporation except in accordance with the procedures set forth in this Section. The presiding Officer of the meeting shall, if the facts warrant, determine that the nomination(s) were not properly brought before the meeting in accordance with the procedures described in this Section and, if the presiding Officer should so determine, the presiding Officer shall so declare to the meeting, and the defective nomination(s) shall be disregarded.

#### IV. OFFICERS

Section 4.01. Number. The Board of Directors shall elect a Chief Executive Officer, a Secretary and a Treasurer. The Board of Directors also may choose a President, one or more Vice-Presidents, one or more Assistant Secretaries, one or more Assistant Treasurers or any other officers or agents as the Board of Directors by a majority vote of the total number of directors may designate. Any person may hold two or more offices.

Section 4.02. Election, Term of Office and Qualifications. The Board of Directors shall elect the officers of the Corporation, who shall hold their offices for such terms and shall exercise such powers and perform such duties not inconsistent with these By-Laws as shall be determined from time to time by the Board of Directors. All officers of the Corporation shall hold their offices until their respective successors are elected and qualified, or until their respective offices are eliminated by vote of the majority of all directors, or until their earlier resignation, retirement or removal. Officers may be, but need not be, directors. Any officer may resign at any time upon written notice to the Corporation.

Section 4.03. Compensation. The salaries of the officers of the Corporation shall be fixed from time to time by the Board of Directors or by the Chief Executive Officer if authorized by the Board of Directors.



Section 4.04. Removal and Vacancies. Any officer may be removed from office, with or without cause, by the Board of Directors, but such removal shall be without prejudice to the contract rights of such officer, if any, with the Corporation. Any vacancy occurring in any office of the Corporation may be filled by the Board of Directors.

Section 4.05. Chief Executive Officer. The Chief Executive Officer shall have the general powers and duties of management and supervision usually vested in and imposed upon the chief executive officer of a corporation. Subject to the control of the Board of Directors, the Chief Executive Officer shall have general supervision of the business of the Corporation and shall see that all orders and resolutions of the Board of Directors are carried into effect.

Section 4.06. Secretary. The Secretary shall keep the minutes of the meetings of the stockholders, the Board of Directors and any committees in a book to be kept for that purpose and shall perform such other ministerial duties as the Board of Directors of the Corporation may direct. The Secretary shall duly give notice of all meetings of the stockholders, special meetings of the Board of Directors and meetings of its committees, if any.

Section 4.07. Treasurer. The Treasurer shall keep accurate accounts of all moneys of the Corporation received or disbursed. He or she shall deposit all moneys, drafts and checks in the name of and to the credit of the Corporation in such banks and depositories as a majority of the whole Board of Directors shall from time to time designate. The Treasurer shall have power to endorse for deposit all notes, checks and drafts received by the Corporation. He or she shall disburse the funds of the Corporation as ordered by the Board of Directors, making proper vouchers therefor. The Treasurer shall render to the Board of Directors or the chief executive officer of the Corporation, whenever required, an account of all his or her transactions as Treasurer and of the financial condition of the Corporation.

Section 4.08. Other Officers Elected by the Board. The Board of Directors may elect a President, Vice Presidents, a Chief Financial Officer, Assistant Treasurers, Assistant Secretaries, or such other officers of the Corporation as the Board of Directors may deem necessary, to serve at the pleasure of the Board of Directors. Other officers elected by the Board of Directors shall have such powers and performance such duties as may be assigned to such officers by or pursuant to authorization of the Board of Directors or by the Chief Executive Officer.

Section 4.09. Other Officers. The Board of Directors may authorize the Corporation to elect or appoint other officers, including Vice Presidents, Assistant Treasurers, Assistant Secretaries and other officers of the Corporation, each of whom shall serve at the pleasure of the Corporation. Officers elected or appointed by the Corporation shall have such powers and perform such duties as may be assigned to them by the Corporation.

Section 4.10. Authority and Other Duties. All officers of the Corporation shall be subject to the supervision and direction of the Board of Directors and, in addition to the foregoing authority and duties, all officers of the Corporation shall respectively have such authority and perform such other duties in the management of the business of the Corporation as may be designated from time to time by the Board of Directors. Unless prohibited by a resolution approved by the affirmative vote of a majority of the directors present, an officer elected or appointed by the Board may, without the approval of the Board, delegate some or all of the duties and powers of his or her office to other persons.

## V. INDEMNIFICATION

Section 5.01. Indemnification. The Corporation shall indemnify any person (a "Covered Person") who was or is made or is threatened to be made a party or is otherwise involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative (a "proceeding"), by reason of the fact that he or she, or a person for whom he or she is the executor, administrator or other legal representative, is or was a director or officer (which term, for purposes of this Article V, includes all officers, whether elected or appointed) of the Corporation or, while a director or officer of the Corporation, is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation or of a partnership, joint venture, trust, enterprise or nonprofit entity, including service with respect to employee benefit plans, for such expenses and liabilities, in such manner, under such circumstances, and to such extent, as required or permitted by subsections (a) through (e) of Section 145 of the Delaware General Corporation Law, as amended from time to time.

Section 5.02. Insurance. The Corporation may purchase and maintain insurance on behalf of any person who is or was a director or officer of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against any liability asserted against and incurred by such person in or arising from that capacity, whether or not the Corporation would otherwise be required or permitted to indemnify the person against the liability. The Company shall not be obligated under these By-Laws to make any payment in connection with any claim made against any person if and to the extent that such person has actually received payment therefor under any insurance policy or policies.

Section 5.03. Indemnification Upon a Change of Control.

(a) If a Change in Control (as defined in this Section 5.03) has occurred and the person seeking indemnification so requests, a determination of whether a Covered Person is eligible for indemnification under Section 5.01 hereof shall be made in a written opinion rendered by independent legal counsel chosen by the person seeking indemnification and not reasonably objected to by the Board of Directors (whose fees and expenses shall be paid by the Corporation) and such determination shall be binding on the Corporation.

(b) For purposes of Section 5.03(a), "independent legal counsel" shall mean legal counsel other than an attorney, or a firm having associated with it an attorney, who has been retained by or has performed services for the Corporation or the person seeking indemnification within the previous three years.

(c) For purposes of Section 5.03(a), a "Change in Control" shall be deemed to have occurred if:

(i) a majority of the directors of the Corporation shall be persons other than persons (A) who were directors of the Corporation at July 1, 1989, (B) for whose election proxies shall have been solicited by the Board of Directors, or (C) who are then serving as directors appointed by the Board of Directors to fill vacancies on the Board of Directors caused by newly-created directorships or the death or resignation (but not removal) of a director;

(ii) any “person” (as such term is used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended (the “Act”)), other than the Corporation, a subsidiary of the Corporation or the person seeking indemnification, and other than a person who acquires or becomes the beneficial owner (as defined in Rule 13d-3 under the Act, or any successor rule thereto), directly or indirectly, of twenty percent or more of the then outstanding shares of voting stock of the Corporation as a result of the merger of Digiboard, Inc., a Minnesota corporation, with and into the Corporation, together with its “affiliates” and “associates” (as those terms are defined in Rule 12b-2 under the Act), or any group of persons acting in concert, not including the person seeking indemnification, acquires or becomes a beneficial owner (as so defined in Rule 13d-3), directly or indirectly, of twenty percent or more of the then outstanding shares of voting stock of the Corporation; or

(iii) the stockholders of the Corporation approve a definitive agreement or plan to (A) merge or consolidate the Corporation with or into another corporation (other than (1) a merger or consolidation with a subsidiary of the Corporation, or (2) a merger in which the Corporation is the surviving corporation and no outstanding voting stock of the Corporation (other than fractional shares) held by stockholders immediately prior to the merger is converted into cash, securities, or other property), (B) exchange, pursuant to a statutory exchange of shares of voting stock of the Corporation held by stockholders of the Corporation immediately prior to the exchange, shares of one or more classes or series of voting stock of the Corporation for shares of another corporation, (C) sell or otherwise dispose of all or substantially all of the assets of the Corporation (in one transaction or a series of transactions), or (D) liquidate or dissolve the Corporation, unless a majority of the voting stock (or the voting equity interest) of the surviving corporation or of any corporation (or other entity) acquiring all or substantially all of the assets of the Corporation (in the case of a merger, consolidation or disposition of assets) or the Corporation (in the case of a statutory share exchange) is, immediately following the merger, consolidation, statutory share exchange or disposition of assets, beneficially owned by the person seeking indemnification or a group of persons, including the person seeking indemnification, acting in concert; or

(iv) the Corporation enters into an agreement in principle or a definitive agreement relating to an event described in clause (i), (ii) or (iii) above which ultimately results in an event described therein, or a tender or exchange offer or proxy contest is commenced which ultimately results in an event described therein.

Section 5.04. Good Faith Defined, Etc. For purposes of any determination of whether a person is entitled to indemnification, such person shall be deemed to have acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the Corporation, or, with respect to any criminal proceeding, to have had no reasonable cause to believe his or her conduct was unlawful, if such person relied on the records or books of account of the Corporation or other enterprise, or on information supplied to him or her by the officers of the Corporation or other enterprise, or on information or records given or reports made to the Corporation or other enterprise by an independent certified public accountant or by an appraiser or other expert selected with reasonable care by the Corporation or other enterprise. The term “other enterprise” as used in this Section 5.04 shall mean any enterprise other than the Corporation, including any corporation, partnership, joint venture, trust, employee benefit plan or other enterprise as to which such person is or was serving at the request of the Corporation as a director, officer, employee, agent or trustee. The provisions of this Section 5.04 shall not be deemed to be exclusive or to limit in any way the circumstances in which a person may be deemed to have met the applicable standard of conduct set forth in Section 145 of the Delaware General Corporation Law, as amended from time to time.

Section 5.05. Right to Indemnification. Upon Application; Procedure Upon Application; Etc.

(a) Any indemnification under these By-Laws shall be made no later than forty-five (45) days after receipt by the Corporation of the written request of the Covered Person, unless a determination is made within said 45-day period in accordance with Section 5.03 that such person has not met the applicable standard of conduct.

(b) The right to indemnification or expense advances under these By-Laws shall be enforceable by the Covered Person, in any court of competent jurisdiction. Following a Change in Control (as defined in Section 5.03(c)), the burden of proving that indemnification is not appropriate shall be on the Corporation. Neither the absence of any prior determination that indemnification is proper in the circumstances, nor a prior determination that indemnification is not proper in the circumstances, shall be a defense to the action or create a presumption that the Covered Person has not met the applicable standard of conduct. The expenses (including attorneys’ fees and expenses) incurred by a Covered Person in connection with successfully establishing his or her right to indemnification, in whole or in part, in any proceeding (or in any proceeding brought by him or her to recover under any insurance policy or policies referred to in Section 5.02) also shall be indemnified by the Corporation.

(c) If any person is entitled under any provision of these By-Laws to indemnification by the Corporation for some or a portion of expenses, judgments, fines, penalties or amounts paid in settlement incurred by him or her, but not, however, for the total amount thereof, the Corporation shall nevertheless indemnify such person for the portion of such expenses, judgments, fines, penalties and amounts to which he or she is entitled.

Section 5.06. Certain Persons Not Entitled to Indemnification. Notwithstanding any other provision of these By-Laws, no person shall be entitled to indemnification or expense advances under these By-Laws with respect to any proceeding brought or made by him or her against the Corporation, other than a proceeding seeking, or defending such person’s right to, indemnification and/or expense advances pursuant to these By-Laws or otherwise.

Section 5.07. Non-Exclusivity and Survival of Indemnification. Except as otherwise provided in Section 5.06, but notwithstanding any other provision of these By-Laws, it is the policy of the Corporation that indemnification and expense advances in respect of Covered Persons shall be made to the fullest extent permitted by law, and, accordingly, in the event of any change in law, by legislation or otherwise, permitting greater indemnification and/or expense advances, the provisions of these By-Laws shall be construed so as to require such greater indemnification and/or expense advances. The provisions of these By-Laws shall not be deemed to preclude the indemnification of any person who is not a Covered Person and whom the Corporation has the power to indemnify under the provisions of the General Corporation Law of the State of Delaware or otherwise. All rights to indemnification and advancement of expenses under these By-Laws shall be deemed to be provided by a contract between the Corporation and the director or officer who serves in such capacity at any time while these By-Laws are in effect. Any repeal or modification of the indemnification provisions of these By-Laws shall not affect any rights or obligations then existing. The Corporation may provide additional indemnification rights to a Covered Person by separate agreement.

Section 5.08. Successors; Meaning of "Corporation". The indemnification provisions of these By-Laws shall be binding upon and enforceable against any direct or indirect successor by purchase, merger, consolidation or otherwise to all or substantially all of the business and/or assets of the Corporation. For purposes of these By-Laws, but subject to the provisions of any agreement relating to any merger or consolidation of the kind referred to in clause (a) below or of any agreement relating to the acquisition of any corporation of the kind referred to in clause (b) below, references to "the Corporation" shall include (a) any constituent corporation (including any constituent of a constituent) absorbed in a consolidation or merger with the Corporation which, if its separate existence had continued, would have had power and authority to indemnify its directors and officers, so that any person who is or was a director or officer of such constituent corporation, or is or was serving at the request of such constituent corporation as a director, officer, employee or trustee of another corporation, partnership, joint venture, trust, employee benefit plan or other enterprise, shall stand in the same position under the provisions of these By-Laws with respect to the Corporation as he or she would have with respect to such constituent corporation if its separate existence had continued; and (b) any corporation of which at least a majority of the voting power (as represented by its outstanding stock having voting power generally in the election of directors) is owned directly or indirectly by the Corporation.

Section 5.09. Severability. The indemnification provisions of these By-Laws shall be severable in the event that any provision hereof (including any provision within a single section, subsection, clause, paragraph or sentence) is held invalid, void or otherwise unenforceable on any ground by any court of competent jurisdiction. In the event of any such holding, the remaining indemnification provisions of these By-Laws shall continue in effect and be enforceable to the fullest extent permitted by law.

## VI. STOCK

Section 6.01. Certificated and Uncertificated Shares. Shares of stock of the Corporation shall be represented by certificates, provided that the Board of Directors may provide by resolution or resolutions that some or all of any or all classes or series of stock may be uncertificated shares. Any such resolution shall not apply to shares represented by a certificate until such certificate is surrendered to the Corporation. Certificates representing shares shall be in such form as shall be prescribed by the Board of Directors, certifying the number of shares owned by the holder. Shares represented by certificates shall be numbered in the order in which they shall be issued and shall be signed in the name of the Corporation by the Chairman, the Chief Executive Officer, the President or a Vice-President, and by the Treasurer or an Assistant Treasurer, or the Secretary or an Assistant Secretary, and the seal of the Corporation, if any, shall be affixed thereto.

Section 6.02. Issuance of Stock. The Board of Directors is authorized to cause to be issued stock of the Corporation up to the full amount authorized by the Certificate of Incorporation in such amounts and for such consideration as may be determined by the Board of Directors. No shares shall be allotted except in consideration of cash, labor, personal property, or real property, or leases thereof, or of an amount transferred from surplus to stated capital upon a stock dividend. At the time of such allotment of stock, the Board of Directors shall state its determination of the fair value to the Corporation in monetary terms of any consideration other than cash for which shares are allotted. The amount of consideration to be received in cash or otherwise shall not be less than the par value of the shares so allotted. Stock so issued shall be fully paid and nonassessable. Treasury shares may be disposed of by the Corporation for such consideration as may be fixed by the Board of Directors.

Section 6.03. Partly Paid Stock. The Corporation may issue the whole or any part of its stock as partly paid and subject to call for the remainder of the consideration to be paid therefor. Upon the face or back of each certificate issued to represent any such partly paid stock, or upon the stock ledger in the case of uncertificated shares, the total amount of the consideration to be paid therefor and the amount paid thereon shall be stated. The Board of Directors may, from time to time, demand payment in respect of each share of stock not fully paid, of such sum of money as the necessities of the business may, in the judgment of the Board of Directors, require, not exceeding in the whole the balance remaining unpaid on such stock, and such sum so demanded shall be paid to the Corporation at such times and by such installments as the Board of Directors shall direct.

Section 6.04. Registered Stockholders. The Corporation shall be entitled to recognize the exclusive right of a person registered on its books as the owner of shares to receive dividends, and to vote as such owner, and shall not be bound to recognize any equitable or other claim to or interest in such share or shares on the part of any other person, whether or not it shall have express or other notice thereof, except as otherwise provided by the laws of Delaware.

Section 6.05. Transfers of Stock. Transfers of stock shall be made on the books of the Corporation only by the record holder of such stock, or such holder's legal representative or duly authorized attorney-in-fact, and, in the case of stock represented by a certificate, upon surrender of the certificate or the certificates for such stock. Upon surrender to the Corporation or the transfer agent of the Corporation of a certificate for shares duly endorsed or accompanied by proper evidence of succession, assignation or authority to transfer, it shall be the duty of the Corporation to issue a new certificate to the person entitled thereto, cancel the old certificate and record the transaction upon its books. No new certificate or certificates shall be issued in exchange for any existing certificate until such certificate shall have been so cancelled, except in cases provided for in Section 6.06.

Section 6.06. Lost, Stolen or Destroyed Certificates. Any stockholder claiming a certificate for stock to be lost, stolen or destroyed shall make an affidavit of that fact in such form as the Corporation may require and shall, if the Corporation so requires, give the Corporation a bond of indemnity in form, in an amount, and with one or more sureties satisfactory to the Corporation, to indemnify the Corporation against any claims which may be made against it on account of the alleged loss, theft or destruction of the certificate or issuance of such new certificate. A new certificate may then be issued in the same tenor and for the same number of shares as the one claimed to have been lost, stolen or destroyed.

Section 6.07. Facsimile Signatures. Whenever any certificate is countersigned by a transfer agent or by a registrar other than the Corporation or one of its employees, then the signatures of the officers or agents of the Corporation may be facsimiles. In case any officer, transfer agent or registrar who has signed or whose facsimile signature has been placed on any such certificate shall cease to be such officer, transfer agent or registrar before such certificate is issued, it nevertheless may be issued by the Corporation as though the person who signed such certificate or whose facsimile signature or signatures had been placed thereon were such officer, transfer agent or registrar at the date of issue.

## VII. MISCELLANEOUS

Section 7.01. Dividends. The Board of Directors may declare at any regular or special meeting dividends from the Corporation's surplus, or if there be none, out of its net profits for the current fiscal year and/or the preceding fiscal year, in such amounts as in their opinion the condition of the affairs of the Corporation shall render it advisable unless otherwise restricted by law. Dividends may be paid in cash, in property or in shares of capital stock of the Corporation, subject to the provisions of the Certificate of Incorporation.

Section 7.02. Interested Directors and Officers. No contract or transaction between the Corporation and one or more of its directors or officers, or between the Corporation and any other corporation, partnership, association or other organization in which one or more of its directors or officers are directors or officers, or have a financial interest, shall be void or voidable solely for that reason, or solely because the director or officer is present at or participates in the meeting of the Board of Directors or committee thereof which authorizes the contract or transaction, or solely because his, her or their votes are counted for such purpose, if: (a) the material facts as to his or her relationship or interest and as to the contract or transaction are disclosed or are known to the Board of Directors or the committee, and the Board of Directors or committee in good faith authorizes the contract or transaction by the affirmative votes of a majority of the disinterested directors, even though the disinterested directors be less than a quorum; or (b) the material facts as to his or her relationship or interest and as to the contract or transaction are disclosed or are known to the stockholders entitled to vote thereon, and the contract or transaction is specifically approved in good faith by vote of the stockholders; or (c) the contract or transaction is fair as to the Corporation as of the time it is authorized, approved or ratified, by the Board of Directors, a committee thereof, or the stockholders. Common or interested directors may be counted in determining the presence of a quorum at a meeting of the Board of Directors or of a committee which authorizes the contract or transaction.

Section 7.03. Voting Securities Held by the Corporation. Unless otherwise ordered by the Board of Directors, powers of attorney, proxies, waivers of notice of meeting, consents and other instruments relating to securities owned by the Corporation may be executed in the name of and on behalf of the Corporation by the Chairman, the Chief Executive Officer or the President, and either such officer may, in the name of and on behalf of the Corporation, take all such action as such officer may deem advisable to vote in person or by proxy at any meeting of security holders of other corporations in which the Corporation may hold securities, and at any such meeting such officer shall possess and may exercise any and all rights and powers incident to the ownership of such securities that the Corporation might have possessed and exercised if it had been present. The Board of Directors may from time to time confer like powers upon any other person or persons.

Section 7.04. Execution of Instruments.

(a) All deeds, mortgages, bonds, checks, contracts and other instruments pertaining to the business and affairs of the Corporation shall be signed on behalf of the Corporation by the Chief Executive Officer, the President or any Vice President, or by such other person or persons as may be designated from time to time by the Board of Directors.

(b) If a document must be executed by persons holding different offices or functions and one person holds such offices or exercises such functions, that person may execute the document in more than one capacity if the document indicates each such capacity.

Section 7.05. Advances. The Corporation may, without a vote of the directors, advance money to its directors, officers or employees to cover expenses that can reasonably be anticipated to be incurred by them in the performance of their duties and for which they would be entitled to reimbursement in the absence of an advance.

Section 7.06. Fiscal Year. The fiscal year end of the Corporation shall be September 30 or such other date as may be fixed from time to time by resolution of the Board of Directors.

Section 7.07. Corporate Seal. The corporate seal, if one is adopted by the Board of Directors, shall be circular in form and shall have inscribed thereon the name of the Corporation, the word "Delaware" and the words "Corporate Seal." The seal may be used by causing it or a facsimile thereof to be impressed or affixed or reproduced or otherwise placed on any document requiring it.

Section 7.08. Power to Amend. These By-Laws may be altered, amended or repealed or new By-Laws may be adopted as provided in the Certificate of Incorporation of the Corporation.

## EMPLOYMENT AGREEMENT

This Employment Agreement (“Agreement”) is entered into as of November 26, 2014, by and between Digi International Inc., a Delaware corporation (the “Company”), Ronald E. Konezny (the “Executive”).

### RECITALS

WHEREAS, the Company is in the business of providing for the sale of hardware, software or other products and services related to Machine-to-Machine communications / Internet of Things solutions;

WHEREAS, the Company desires to employ Executive as its President and Chief Executive Officer and Executive desires to be employed by the Company as President and Chief Executive Officer of the Company in accordance with the terms and conditions set forth herein; and

WHEREAS, in connection with Executive’s employment with the Company, Executive will have access to confidential, proprietary and trade secret information of the Company, which confidential, proprietary and trade secret information the Company desires to protect from disclosure and unfair competition.

### AGREEMENT

NOW, THEREFORE, in consideration of the foregoing premises and the respective agreements of the Company and Executive set forth below, the Company and Executive, intending to be legally bound, agree as follows:

1. Term of Employment. The term of Executive’s employment under this Agreement will commence on December 17, 2014 (the “Effective Date”), and will continue until Executive’s employment is terminated pursuant to Section 8 below (such period being the “Employment Term”).

2. Position and Duties.

(a) Employment with the Company. While Executive is employed by the Company during the Employment Term, Executive shall report to the Company’s Board of Directors (the “Board”) and shall perform such duties and responsibilities for the Company and its Affiliates (defined below) as the Board shall assign to him from time to time consistent with his position. Executive’s title during the Employment Term shall be President and Chief Executive Officer. For purposes of this Agreement, “Affiliate” means an individual, a partnership, a corporation, a limited liability company, an association, a joint stock company, a trust, a joint venture, or an unincorporated organization, that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, the Company.

(b) Performance of Duties and Responsibilities. Executive shall serve the Company faithfully and to the best of his ability and shall devote his full working time, attention and efforts to the business of the Company during his employment with the Company. Executive will follow and comply with applicable policies and procedures adopted by the Company from time to time, including without limitation policies relating to business ethics, conflict of interest, non-discrimination, confidentiality and protection of trade secrets. Executive will not engage in other employment or other material business activity, except as approved in writing by the Board. Executive hereby represents and confirms that he is under no contractual or legal commitments that would prevent him from fulfilling his duties and responsibilities as set forth in this Agreement. During his employment with the Company, Executive may participate in civic, religious and charitable activities and personal investment activities to a reasonable extent, so long as such activities do not interfere with the performance of his duties and responsibilities hereunder. The Board and Executive will evaluate any directorship Executive holds as of the Effective Date, and Executive agrees to resign from any directorship if, in the sole discretion of the Board, it is determined that such directorship poses a conflict of interest.

3. Board Appointment. On the Effective Date, the Board shall appoint Executive as a director of the Company and shall during the Employment Term nominate and recommend Executive for election as a director. Executive acknowledges and agrees that Executive is not entitled to any additional compensation in respect of Executive’s appointment as a director of the Company. If during the Employment Term Executive ceases to be a director of the Company for any reason, Executive’s employment with the Company will continue (unless terminated in accordance with Section 8) and all terms of this Agreement (other than those relating to Executive’s position as a director of the Company) will continue in full force and effect and Executive will have no claims in respect of such cessation of office. Executive agrees to abide by all statutory, fiduciary or common law duties arising under applicable law that apply to Executive as a director of the Company.

4. Compensation.

(a) Base Salary. While Executive is employed by the Company during the Employment Term, the Company shall pay to Executive a base salary at the annual rate determined from time to time by the Company (the “Base Salary”), which base salary will be paid in accordance with the Company’s normal payroll policies and procedures. Upon commencement of the Employment Term, Executive’s initial annualized base salary will be \$450,000, less all legally required and authorized deductions and withholdings. The Company will review Executive’s Base Salary no less than annually and may, in its sole discretion, adjust Executive’s base salary upon such review; provided that the Company may not decrease Executive’s base salary during the Employment Term unless such decrease is part of an across-the-board uniformly applied reduction affecting all senior executives of the Company and not disproportionately more to Executive.

(b) Sign-On Bonus. The Company shall pay to Executive an initial sign-on bonus in the amount of \$400,000 (the “Sign-On Bonus”), less all legally required and authorized deductions and withholdings, paid within twenty-one (21) days after the Effective Date. If Executive resigns his employment with the Company for any reason other than as a result of death or Disability (defined below) prior to the first anniversary of the Effective Date, Executive shall repay to the Company the full \$400,000 Sign-On Bonus (inclusive of any deductions and withholdings made by the Company) no later than 30 days following the effective date of such resignation. No repayment shall be required in the event of (i) Executive’s death or Disability, (ii) the Company’s termination of Executive’s employment without Cause, or (iii) Executive’s resignation for good reason within one year following a change in control (for purposes of this Section 4(b), the term Cause shall have the meaning given to it in this Agreement and the terms change in control and good reason shall have the same meanings given to those terms in the form of equity award agreements under the Company’s 2014 Omnibus Incentive Plan that were provided to Executive).

(c) Incentive Compensation. During the Employment Term, Executive shall be eligible to receive an annual incentive bonus. During the first fiscal year of Executive’s employment the annual incentive bonus will be targeted at 100% of base salary paid. The Board of Directors will define a bonus plan annually within the first 90 days of each fiscal year, determining the objectives for the fiscal year off of which the annual incentive bonus will be calculated. Such objectives may include, in the sole discretion of the Board, the achievement of financial objectives set forth in the Board-approved business plan for a particular fiscal year, or such other objectives as the Board, in its sole discretion, shall determine. For fiscal year 2015, Executive’s incentive compensation will be based 50% on quarterly and annual revenue results and 50% on quarterly and annual EBITDA results. Payment of the actual bonus for each fiscal year shall be paid to Executive as soon as the Company determines whether the objectives for such bonus have been met. Any such payments shall be made by no later than March 15 of the year following the calendar year in which the bonus was earned.

(d) Equity Compensation.

(i) Stock Options. On the Effective Date (the “Grant Date”), the Company will grant to Executive an option to purchase 325,000 shares of the common stock of the Company (the “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 each of the first four anniversary dates of the Grant Date (except for such earlier vesting as otherwise provided in the Company’s 2014 Omnibus Incentive Plan or in the applicable grant agreement between the Company and Executive). If, within one year following a change in control, Executive’s employment is terminated either by the Company without cause or by Executive for good reason, then any unvested Options shall be accelerated and immediately vested. The Options will have a term of eight years. The applicable grant agreement between the Company and Executive shall incorporate the terms of this Agreement.

(ii) Restricted Stock Units. On the Grant Date, the Company will also grant to Executive a restricted stock unit (the “RSU Award”) in the amount of 175,000 shares of the Company’s common stock. Twenty-five percent of the RSU Award will vest on each of the first four anniversary dates of the Grant Date (except for such earlier vesting as otherwise provided in the Company’s 2014 Omnibus Incentive Plan or in the applicable RSU agreement between the Company and Executive). If, within one year following a change in control, Executive’s employment is terminated either by the Company without cause or by Executive for good reason, then any unvested units shall be accelerated and immediately vested. Vested units shall be settled in shares of the Company’s common stock as soon as practicable (but no later than March 15 of the year following the calendar year in which such units vest). The applicable RSU agreement between the Company and Executive shall incorporate the terms of this Agreement.

(iii) If there is a change in control during the four-year vesting period provided for in the RSU Award or the Options, then any shares that would have vested on the immediately following vesting date shall be accelerated and vested as of the change in control. For purposes of clarity, this accelerated vesting shall only apply to the Options and RSU Award provided for by this Agreement.

(iv) Additional equity awards are subject to annual review by the Compensation Committee of the Board of Directors.

(e) Employee Benefits. While Executive is employed by the Company during the Employment Term, Executive shall be entitled to participate in each employee benefit plan and program of the Company to the extent that Executive meets the eligibility requirements for such individual plan or program. In addition, following a medical exam the Company shall provide \$500,000 of term life insurance to Executive payable to a beneficiary designated by Executive. Executive may receive other benefits commensurate with Executive’s position as may be approved from time to time by the Compensation Committee.

(f) Expenses. While Executive is employed by the Company during the Employment Term, the Company shall reimburse Executive for all reasonable and necessary out-of-pocket business, travel and entertainment expenses incurred by him in the performance of his duties and responsibilities hereunder, including without limitation cell phone costs and expenses incurred in connection with the business of the Company, subject to the Company’s normal policies and procedures for expense verification and documentation.

## 5. Confidential Information.

(a) Definition of Confidential Information. Except as expressly permitted by the Board in writing, Executive shall at all times keep confidential and not disclose, divulge, furnish or make accessible to anyone or use in any way other than in the ordinary course of the business of the Company, any confidential, proprietary, nonpublic or secret knowledge or information of the Company or any of its Affiliates that Executive acquires during his employment with the Company, whether developed by himself

or by others, concerning (i) any trade secrets, (ii) any confidential, proprietary, nonpublic or secret design, process, formula, plan, model, specifications, device or material (whether or not patented or patentable) directly or indirectly useful in any aspect of the business of the Company or any of its Affiliates, (iii) any customer or supplier list of the Company or any of its Affiliates, or any requirements, specifications or other confidential information about or received from any customer or supplier, (iv) any confidential, proprietary, nonpublic or secret development or research work of the Company or any of its Affiliates, (v) any strategic or other business, marketing or sales plan of the Company or any of its Affiliates, (vi) any financial data or plan respecting the Company or any of its Affiliates, or (vii) any other confidential, nonpublic or proprietary information or secret aspects of the business of the Company or any of its Affiliates (“Confidential Information”).

(b) Acknowledgement. Executive acknowledges that the above described Confidential Information constitutes a unique and valuable asset of the Company and its Affiliates and represents a substantial investment of time and expense by the Company and its Affiliates, and that any disclosure or other use of such Confidential Information other than for the sole benefit of the Company would be wrongful and may cause irreparable harm to the Company and its Affiliates. The parties acknowledge and agree that Executive’s obligations under this Agreement to maintain the confidentiality of the Company’s Confidential Information are in addition to any obligations of Executive under applicable statutory or common law.

(c) Exceptions. The foregoing obligations of confidentiality shall not apply to any Confidential Information to the extent that it (i) is now or subsequently becomes generally publicly known or generally known in the industry in which the Company operates, (ii) is independently made available to Executive in good faith by a third party who Executive reasonably believes has not violated an obligation of confidentiality to the Company or any of its Affiliates, or (iii) is required to be disclosed by legal process. Nothing contained in the preceding sentence shall be interpreted to legitimize any disclosure of Confidential Information by Executive that occurs outside of any of the events described in items (i) through (iii) of the preceding sentence.

6. Ventures. If, during Executive’s employment with the Company, Executive is engaged in or associated with the planning or implementing of any project, program or venture involving the Company (or any of its Affiliates) and a third party or parties, all rights in such project, program or venture shall belong to the Company. Except as approved in writing by the Board, Executive shall not be entitled to any interest in any such project, program or venture or to any commission, finder’s fee or other compensation in connection therewith, other than the compensation to be paid to Executive by the Company as provided herein. Executive shall have no interest, direct or indirect, in any customer or supplier that conducts business with the Company (or any of its Affiliates), unless such interest has been disclosed in writing to and approved by the Board before such customer or supplier seeks to do business with the Company (or any of its Affiliates). Ownership by Executive, as a passive investment, of less than 1.0% of the outstanding shares of capital stock of any corporation traded on a national securities exchange or publicly traded in the over-the-counter market shall not constitute a breach of this Section 6. In addition, it shall not constitute a breach of this Section 6 for Executive to have an ownership interest of up to 5% in any company for which Executive serves on its board of directors as of the date Executive signs this Agreement.

#### 7. Patents, Copyrights and Related Matters.

(a) Disclosure and Assignment. Executive shall promptly disclose to the Company any and all improvements, discoveries, processes, know-how, trade-secrets and inventions that Executive may conceive and/or reduce to practice individually or jointly or commonly with others (“Discoveries”) while he is employed with the Company or any of its Affiliates. Executive agrees to assign and does hereby immediately assign, transfer and set over to the Company his entire right, title and interest in and to any and all Discoveries, and in and to any and all intellectual property rights thereto. Executive agrees to execute all instruments deemed reasonably necessary by the Company to protect and perfect rights in and to the Discoveries. This Section 7(a) shall not apply to any invention for which no equipment, supplies, facilities, Confidential Information, or other trade secret information of the Company was used and that was developed entirely on Executive’s own time, and (i) that does not relate (A) directly to the business of the Company, or (B) to the Company’s actual or demonstrably anticipated research or development, or (ii) that does not result from any work performed by Executive for the Company.

(b) Copyrightable Material. Executive hereby agrees to assign and does assign to the Company all right, title and interest in all copyrightable material (including intellectual property rights therein) that Executive conceives or originates individually or jointly or commonly with others, and that arise during the Employment Term with the Company or any of its Affiliates and out of the performance of his duties and responsibilities under this Agreement. Executive shall execute any and all papers and perform all other acts reasonably necessary to assist the Company to obtain and register copyrights on such materials. Where applicable, works of authorship created by Executive for the Company in performing his duties and responsibilities hereunder shall be considered “works made for hire,” as defined in the U.S. Copyright Act.

#### 8. Termination of Employment.

(a) Executive’s employment with the Company shall terminate upon:

(i) the date specified in written notice from the Company to Executive notifying him of the termination of his employment for any reason, provided that if Executive’s employment is terminated by the Company without Cause, then the Company shall provide Executive at least sixty days’ notice of termination or pay in lieu of notice;

(ii) Executive providing to the Company not less than 60 days’ prior written notice of his resignation of employment effective at the end of such period, provided that the Company may in its sole discretion elect to relieve Executive from his duties and place him on paid leave during all or any portion of the notice period; or

(iii) Executive's death or Disability (defined below).

(b) The date upon which Executive's termination of employment with the Company is effective is the "Termination Date." For purposes of Section 9(a) and 9(b) of this Agreement only, with respect to the entitlement to and 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 ("Section 409A").

#### 9. Payments upon Termination of Employment.

(a) If Executive's employment with the Company is terminated by the Company without Cause on or prior to the one-year anniversary of the Effective Date, then, subject to Section 9(h) below, and in addition to his Base Salary earned through the Termination Date:

(i) the Company shall pay to Executive severance pay at the rate of his Base Salary for a period of eighteen (18) consecutive months after the Termination Date;

(ii) if Executive is eligible for and takes all steps necessary to continue his group health insurance coverage with the Company following the termination of his employment with the Company, the Company shall pay for the portion of the premium costs for such coverage that the Company pays for then active employees of the Company, at the same level of coverage that was in effect as of the Termination Date, for a period of eighteen (18) consecutive months after the Termination Date; and

(iii) the Company shall pay to Executive \$400,000, which represents his target annual incentive bonus as of the Effective Date.

Any amount payable to Executive as severance pay under Section 9(a)(i) shall be paid to Executive by the Company in accordance with the Company's regular payroll cycle, commencing on the first regular payroll date of the Company that occurs more than 60 days after the Termination Date (and including any installment that would have otherwise been paid on regular payroll dates during the period of 60 days following the Termination Date), *provided* the conditions specified in Section 9(h) have been satisfied. Any amount payable to Executive pursuant to Section 9(a)(iii) shall be paid to Executive at the same time and in the same manner as bonuses are paid to other executives of the Company for the 2015 fiscal year, *provided* the conditions specified in Section 9(h) have been satisfied.

(b) If Executive's employment with the Company is terminated by the Company without Cause after the one-year anniversary of the Effective Date, then, subject to Section 9(h) below, and in addition to his Base Salary earned through the Termination Date:

(i) the Company shall pay to Executive severance pay at the rate of his Base Salary for a period of twelve (12) consecutive months after the Termination Date;

(ii) if Executive is eligible for and takes all steps necessary to continue his group health insurance coverage with the Company following the termination of his employment with the Company, the Company shall pay for the portion of the premium costs for such coverage that the Company pays for then active employees of the Company, at the same level of coverage that was in effect as of the Termination Date, for a period of twelve (12) consecutive months after the Termination Date; and

(iii) the Company shall pay to Executive a pro rata portion (based on the number of days of employment during the fiscal year) of any bonus that would have been payable to him for such fiscal year pursuant to Section 4(c) hereof, waiving any employment condition applicable to payment.

Any amount payable to Executive as severance pay under Section 9(b)(i) shall be paid to Executive by the Company in accordance with the Company's regular payroll cycle, commencing on the first regular payroll date of the Company that occurs more than 60 days after the Termination Date (and including any installment that would have otherwise been paid on regular payroll dates during the period of 60 days following the Termination Date), *provided* the conditions specified in Section 9(h) have been satisfied. Any amount payable to Executive as a bonus shall be paid to Executive at the same time and in the same manner as bonuses are paid to other executives of the Company for such fiscal year, *provided* the conditions specified in Section 9(h) have been satisfied.

(c) If Executive's employment with the Company is terminated due to either (x) Executive's death or Disability, or (y) Executive providing to the Company not less than 60 days' prior written notice of his resignation of employment, then Company shall pay to Executive or his beneficiary or his estate, as the case may be, only his Base Salary earned through the Termination Date and a pro rata portion (based on the number of calendar days of employment during the fiscal year) of any bonus that would have been payable to him for such fiscal year pursuant to Section 4(c) hereof, with such bonus paid at the same time and in the same manner as bonuses are paid to other executives of the Company for such fiscal year, and, in the event of death or Disability, the rights set forth in Section 4(d). Executive's beneficiary shall be entitled to the life insurance benefit provided in Section 4(e).

(d) If Executive's employment with the Company is terminated by the Company for Cause or for any reason not covered by Sections 9(a), (b) or (c), then the Company shall pay to Executive only his Base Salary earned through the Termination Date.

(e) "Cause" hereunder shall mean:



(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) repeated material negligence in the performance of Executive's duties;

(iv) Executive's repeated failure to devote to the Company substantially all of his working time and efforts during normal business hours;

(v) knowing engagement in conduct that is materially injurious to the Company;

(vi) knowing failure, for Executive's own benefit, to comply with the covenants contained in Sections 5, 6, or 10 of this Agreement; or

(vii) knowingly providing materially misleading information concerning the Company to the Company's Board of Directors, any governmental body or regulatory agency or to any lender or other financing source or proposed financing source of the Company,

*provided, however,* that the above events shall not constitute Cause unless (x) the Board, within 90 days of the date the Board becomes aware of the occurrence of an event constituting Cause, provides Executive written notice of termination for Cause setting forth the reason or reasons constituting Cause (the "Written Notice"), and (y) if Executive's employment is terminated for Cause pursuant to Section 9(e)(iii) or (iv), Executive has had a period of at least thirty (30) days to attempt to remedy or cure the basis on which the Board is considering terminating his employment, except that no cure period need be provided to the extent that the act or omission is not curable.

(f) "Disability" hereunder shall mean the inability of Executive to perform on a full-time basis the duties and responsibilities of his employment with the Company by reason of his illness or other physical or mental impairment or condition, if such inability continues for an uninterrupted period of 120 days or more during any 180-day period. A period of inability shall be "uninterrupted" unless and until Executive returns to full-time work for a continuous period of at least thirty (30) days.

(g) In the event of termination of Executive's employment, the sole obligation of the Company shall be its obligation to make the payments called for by Section 9(a), (b), (c) or (d) hereof, as the case may be, and the Company shall have no other obligation to Executive or to his beneficiary or his estate, except for compensation earned for services performed through the Termination Date or as otherwise provided by law, under the terms of any other applicable agreement between Executive and the Company or under the terms of any equity and employee benefit plans or programs then maintained by the Company in which Executive participates.

(h) Notwithstanding the foregoing provisions of this Section 9, the Company will not be obligated to make any payments to or on behalf of Executive under Section 9(a) or Section 9(b), as applicable, unless (i) Executive signs a release of claims in favor of the Company in a form to be prescribed by the Company (the "Release"), (ii) all applicable consideration periods and rescission periods provided by law with respect to the Release have expired without Executive rescinding the Release, and (iii) Executive is in strict compliance with the terms of this Agreement as of the dates of the payments. The cessation of these payments will be in addition to, and not as an alternative to, any other remedies at law or in equity available to the Company, including without limitation the right to seek specific performance or an injunction.

10. Non-Competition/Non-Solicitation. Executive acknowledges that the Company has spent significant time, effort and resources protecting its Confidential Information, including its trade secrets, customer goodwill, and employee, supplier, and vendor relationships. Executive has had access to the Company's Confidential Information, and has significant control and influence over the Company's customers, suppliers, vendors and employees, and he will continue to do so under this Agreement. In order to protect the Company's Confidential Information, trade secrets, customer goodwill and the stability of the Company's workforce, and other legitimate business interests, Executive agrees to the following covenants:

(a) Non-Competition. During Executive's employment with the Company or any Affiliate and for a period of one (1) year following the termination of such employment, whether initiated by Executive or the Company, Executive shall not, either directly or indirectly in any manner or capacity, including without limitation as a proprietor, principal, agent, partner, officer, director, stockholder, employee, member of any association, consultant or otherwise, perform services for or have any interest in any Competitive Business in the Territory. "Competitive Business" means any person, entity or business operation (other than the Company) that engages in any other business that is competitive with the then-current businesses of the Company or with any business or market the Company is actively preparing to enter as of the date of termination of Executive's employment. Executive acknowledges that the Company conducts its business throughout the United States and internationally, and, therefore, that the term "Territory" as used herein shall be worldwide. Ownership by Executive, as a passive investment, of less than 1.0% of the outstanding shares of capital stock of any corporation traded on a national securities exchange or publicly traded in the over-the-counter market shall not constitute a breach of this Section 10(a). In addition, it shall not constitute a breach of this Section 10(a) for Executive to have an ownership interest of up to 5% in any company for which Executive serves on its board of directors as of the date Executive signs this Agreement.

(b) Non-Solicitation of Customers and Suppliers. During Executive's employment with the Company or any Affiliate and for a period of one (1) year following the termination of such employment, whether initiated by Executive or the Company, Executive shall not, either directly or indirectly on behalf of himself or any third party (i) call on or solicit any customers for the purpose of marketing or selling any products or services competitive with the business of the Company, or for the purpose of diverting any business away from the Company; (ii) persuade or attempt to persuade, or induce or attempt to induce, any actual or prospective customer, client, vendor, service provider, supplier, contractor or any other person having business dealings with the Company to cease doing business or otherwise transacting business with the Company or to reduce the amount of business it conducts or will conduct with the Company; (iii) call on or solicit any suppliers of the Company; or (iv) otherwise disrupt, damage or interfere in any manner with the relationship between the Company and its actual or prospective customers, clients, vendors, service providers, or suppliers. Executive acknowledges that the Company has invested material time and resources in the identification and qualification of its customers and/or suppliers and that the identity, nature and details of its relationships with customers and/or suppliers are unique and proprietary.

(c) Non-Solicitation of Employees. During Executive's employment with the Company or any Affiliate and for a period of one (1) year following the termination of such employment, whether initiated by Executive or the Company, Executive shall not, either directly or indirectly on behalf of himself or any third party, in any manner or capacity, including without limitation as a proprietor, principal, agent, partner, officer, director, stockholder, employee, member of any association, consultant or otherwise, hire, engage, recruit, solicit, or otherwise interfere with the employment or retention of any person who is then an employee or independent contractor of the Company or any of its Affiliates or who was an employee or independent contractor of the Company or any of its Affiliates as of the Termination Date. Anonymous job postings in a general publication or website to which an employee responds shall not violate this Section 10(c).

(d) Reasonableness of Covenants. Executive agrees that the scope and duration of Section 10 are reasonable and necessary to protect the Company's legitimate business interests. If, at any time, any term or provision contained in Section 10 is finally adjudicated by a court or arbitrator of competent jurisdiction as invalid or unenforceable, the parties hereby agree that the court or arbitrator making this determination will have the power to reform the scope and/or duration of the term or provision to delete specific words or phrases, or to replace any invalid or unenforceable term or provision with a term or provision that is valid and enforceable which comes closest to expressing the intention of the invalid or unenforceable term or provision; and that such reformation will not impact the other provisions of this Agreement and will be enforceable as so modified.

11. Non-Disparagement. During the Employment Term and thereafter, to the fullest extent permitted by law, Executive shall not make any statement that is disparaging or reflects negatively upon the Company or its Affiliates, or any of their officers, directors or employees, to, or that is likely to come to the attention of, (a) any customer, vendor, supplier, distributor or other trade related business relation of the Company or any of its Affiliates, (b) any employee of the Company or its Affiliates, or (c) any member of the media. Nothing herein shall prevent Executive from responding truthfully to any inquiry from a governmental entity.

## 12. Other Post-Termination Obligations.

(a) Resignation From Positions. Unless otherwise requested by the Board in writing, upon Executive's termination of employment with the Company for any reason Executive shall automatically resign as of the Termination Date from all titles, positions and appointments Executive then holds with the Company, whether as an officer, director, trustee, fiduciary or employee (without any claim for compensation related thereto), and Executive hereby agrees to take all actions necessary to effectuate such resignations.

(b) Return of Property. Upon termination of his employment with the Company, or at such earlier time requested by the Company, Executive shall promptly deliver to the Company any and all Company records and any and all Company property in his possession or under his control, including without limitation manuals, books, blank forms, documents, letters, memoranda, notes, notebooks, reports, printouts, computer storage devices, source codes, data, tables or calculations and all copies thereof, documents that in whole or in part contain any trade secrets or confidential, proprietary or other secret information of the Company or any of its Affiliates, and all copies thereof, and keys, vehicles, access cards, access codes, passwords, credit cards, personal computers, telephones and other electronic equipment belonging to the Company or any of its Affiliates. Executive's retention of information and materials related to his personal compensation and benefits, which will not violate this subsection.

(c) Cooperation. Following termination of Executive's employment with the Company for any reason, Executive will, upon reasonable request of the Company or its designee and provided the Company is not in material breach of any provision of this Agreement, respond to inquiries and cooperate with the Company in connection with the transition of his duties and responsibilities for the Company for up to six months following the Termination Date; and be reasonably available at mutually convenient times, 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 then has or may have knowledge of by virtue of his employment by or service to the Company or any of its Affiliates. In connection with such cooperation requested by the Company, the Company shall reimburse Executive for reasonable out-of-pocket costs incurred as a result of his compliance with his obligations, and, with respect to such cooperation provided by Executive during any period for which he is not receiving payments under Section 9(a)(i) or 9(b)(i), as applicable, the Company shall compensate Executive at a daily rate comparable to his regular salary rate in effect as of the Termination Date. The Company will endeavor to schedule such activities taking into account other obligations Executive may have and so as not to materially interfere with Executive's then-current employment or other business activities.

13. Remedies. Executive acknowledges that it would be difficult to fully compensate the Company for monetary damages resulting from any breach by him of the provisions of Sections 5, 6, 7, 10 or 11 hereof. Accordingly, in the event of any actual or threatened

breach of any such provisions, the Company shall, in addition to any other remedies it may have, be entitled to injunctive and other equitable relief to enforce such provisions, and such relief may be granted without the necessity of proving actual monetary damages.

#### 14. Miscellaneous.

(a) Taxes. The Company will deduct or withhold from any payment made or benefit provided hereunder all federal, state and local taxes which the Company is required or authorized by law to deduct or withhold therefrom or otherwise collect in connection with the wages and benefits provided in connection with Executive's employment with the Company. This Agreement and the payments and benefits provided hereunder are intended to be exempt from the requirements of Sections 409A to the maximum extent possible, whether pursuant to the short-term deferral exception described in Treasury Regulation Section 1.409A-1(b)(4), the involuntary separation pay plan exception described in Treasury Regulation Section 1.409A-1(b)(9)(iii), or otherwise. Notwithstanding anything in this Agreement to the contrary, this Agreement and the payments and benefits provided hereunder shall be interpreted, operated and administered in a manner consistent with such intentions. Without limiting the generality of the foregoing, if and to the extent required to comply with Section 409A, (i) each payment made under this Agreement shall be treated as a separate payment and the right to a series of installment payments under this Agreement shall be treated as a right to a series of separate payments; (ii) any expenses eligible for reimbursement in one taxable year shall not affect the expenses eligible for reimbursement in any other taxable year, the reimbursement of an eligible expense shall be made no later than the end of the year after the year in which such expense was incurred, and the right to reimbursement shall not be subject to liquidation or exchange for another benefit; and (iii) no payment or benefit required to be paid under this Agreement on account of a termination of Executive's employment shall be made unless and until Executive incurs a "separation from service" within the meaning of Section 409A. If Executive is a "specified employee" within the meaning of Section 409A(a)(2)(B)(i), then to the extent necessary to avoid subjecting Executive to the imposition of any additional tax under Section 409A with respect to amounts that are not otherwise exempt from Code 409A, amounts that would otherwise be payable under this Agreement during the six-month period immediately following a "separation from service" within the meaning of Section 409A(a)(2)(A)(i) shall not be paid during such period, but shall instead be accumulated and paid in a lump sum on the first business day following the earlier of (a) the date that is six months after the separation from service or (b) Executive's death.

(b) Jurisdiction and Venue. Executive and the Company consent to jurisdiction of the courts of the State of Minnesota and/or the federal district courts of the District of Minnesota for the purpose of resolving all issues of law, equity, or fact, arising out of or in connection with this Agreement. Any action involving claims for interpretation, breach or enforcement of this Agreement 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.

(c) Governing Law. All matters relating to the interpretation, construction, application, validity and enforcement of this Agreement 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 cause the application of laws of any jurisdiction other than the State of Minnesota.

(d) Entire Agreement. This Agreement and the documents referenced herein contain the entire agreement and understanding of the parties concerning the terms and conditions of Executive's employment with the Company, and supersedes, terminates and nullifies all prior commitments, agreements and understandings with respect to such relationship between the parties. The parties hereto have made no agreements, representations or warranties relating to the subject matter of this Agreement that are not set forth herein.

(e) Amendments. No amendment or modification of this Agreement shall be deemed effective unless made in writing and signed by the parties hereto.

(f) No Waiver. No term or condition of this Agreement shall be deemed to have been waived, except by a statement in writing signed by the party against whom enforcement of the waiver is sought. Any written waiver shall not be deemed a continuing waiver unless specifically stated, shall operate only as to the specific term or condition waived and shall not constitute a waiver of such term or condition for the future or as to any act other than that specifically waived.

(g) Assignment. Neither party may, without the written consent of the other, assign or delegate any of its rights or obligations under this Agreement, except that the Company may, without the consent of Executive, assign or delegate any of its rights or obligations under this Agreement to (i) any corporation or other business entity with which the Company may merge or consolidate, or (ii) any corporation or other business entity to which the Company may sell or transfer all or substantially all of its assets or capital stock or equity. After any such assignment or delegation by the Company, the Company shall be discharged from all further liability hereunder and such assignee shall thereafter be deemed to be the "Company" for purposes of all terms and conditions of this Agreement, including this Section 14.

(h) Counterparts. This Agreement may be executed in two counterparts and delivered by facsimile or other means of electronic communication, each of which shall be deemed an original but both of which shall constitute but one instrument.

(i) Notices. All notices, requests, demands or other communications required by or otherwise with respect to this Agreement shall be in writing and shall be deemed to have been duly given to the other party on the date delivered when delivered personally, one business day following the date when sent by nationally recognized overnight delivery service for next business day delivery, or three business days following the date of postmark if sent by first-class U.S. registered or certified mail, postage prepaid and

return receipt requested, *provided* in each case such notice is properly addressed to the applicable addresses set forth below (or such other address as such party may indicate in writing to the other party pursuant to this Section 14(i)):

If to the Company:

Digi International Inc.  
11001 Bren Road East  
Minnetonka, MN 55343  
Attention: General Counsel

If to Executive:

At the last known address in the personnel records of the Company.

With a copy to his attorney:  
Edward J. Wegerson  
Lindquist & Vennum LLP  
80 South 8th Street, Ste. 4200  
Minneapolis, MN 55402

(j) Severability. To the extent that any portion of any provision of this Agreement shall be invalid or unenforceable, it shall be considered deleted herefrom and the remainder of such provision and this Agreement shall be unaffected and shall continue in full force and effect.

(k) Captions and Headings. The captions and paragraph 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.

IN WITNESS WHEREOF, the undersigned have executed this Agreement on the date set forth below:

DIGI INTERNATIONAL INC.

By: /s/ Ahmed Nawaz

Its: Lead Director

EXECUTIVE

/s/ Ronald E. Konezny

Ronald E. Konezny

## Digi International Inc. Announces Appointment of Ron Konezny as New Chief Executive Officer

### *Experienced M2M Solutions Leader to Start in Mid-December*

(Minneapolis, MN, December 3, 2014) - Digi International<sup>®</sup> Inc. (NASDAQ: DGII, [www.digi.com](http://www.digi.com)) announced that Ron Konezny has been elected to the roles of President and Chief Executive Officer effective December 17, 2014. As previously announced by Digi, Joseph T. Dunsmore will retire as President, Chief Executive Officer and Chairman of the Board when Mr. Konezny's election as his successor becomes effective.

Konezny, 46, most recently served as the Vice President, Global Transportation and Logistics division of Trimble Navigation Limited (NASDAQ:TRMB) where he achieved an outstanding track record of consistent, profitable revenue growth of his division which included nearly 1,500 employees and more than two million remotely managed assets. Prior to Trimble, Ron was the co-founder and CEO of PeopleNet, a leading provider of Telematics solutions to the transportation industry. Under Konezny's leadership PeopleNet grew from a startup in 1996 to a high growth company that is a recognized fleet management leader. PeopleNet was acquired by Trimble in 2011.

"I am extremely pleased to announce Ron's appointment as Chief Executive Officer of Digi," said Ahmed Nawaz, the independent Lead Director of the Board. "Ron has a proven leadership record of growth, profitability and solution innovations and knows the wireless M2M industry well. His success and breadth of experience, his understanding of M2M solutions comprised of hardware and cloud-based applications and his past success at Trimble in identifying and successfully completing and integrating acquisition transactions all appealed to the Board. The Board conducted a comprehensive search process and is confident that Ron has the experience, leadership and vision to propel Digi forward."

"I am excited to join the Digi team and lead the company forward in the wireless M2M and Internet of Things marketplace," said Konezny. "Digi provides high-quality networking solutions, and we will build on this foundation as we sharpen our execution on the products and services Digi offers in this dynamic marketplace to better serve our customers and enhance value for our shareholders."

Nawaz continued, "On behalf of the Board, I want to thank Joe Dunsmore for his many years of leadership at Digi, and for his assistance in facilitating this smooth transition after announcing his retirement. I wish Joe much success in the next chapter of his personal and professional endeavors." As part of the transition, Dunsmore will remain employed by Digi through December 31, 2014.

The Board of Directors also elected Konezny as a director of Digi effective December 17, 2014. The Board of Directors intends to appoint an independent director to serve as the non-executive Chairman of the Board once Konezny has started his employment with the Digi.

Prior to co-founding PeopleNet, Konezny worked as a senior consultant for Cap Gemini Ernst & Young Consulting, where he specialized in international telecommunications. Mr. Konezny received a Bachelor of Arts degree from Northwestern University.

### **About Digi International**

Digi International is the M2M 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 computing platform tailored for devices 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](http://www.digi.com), or call 877-912-3444.

#### **Investor Contacts:**

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952-912-3637  
Email: [steve.snyder@digi.com](mailto:steve.snyder@digi.com)

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#### **Media Contacts:**

Jeff Liebl  
Digi International  
952-912-3053

For more information, visit our Web site at [www.digi.com](http://www.digi.com), or call 877-912-3444 (U.S.) or 952-912-3444 (International).