Telular Corporation Master Reseller Agreement - Telguard Services

This Master Reseller Agreement (the "Agreement") is entered into between Telular Corporation ("Telular") and the reseller whose name and corporate information (if applicable) is set forth in the execution block at the end of this Agreement (the "Reseller"). Subject to the terms and conditions of this Agreement, Telular shall provide, and Reseller shall pay for, cellular radio telecommunication services (the "Service") to be used in conjunction with Telular's Telguard alarm transmission system ("Telguard"), interactive-home automation services ("HomeControl") and video systems ("Telguard-Arlo").

- 1. Availability; Orders. The Service and any units used for transmission of the Service are subject to all applicable laws, rules, regulations and tariffs which may have been enacted by or filed with state or federal agencies and which are effective from time to time. The Service is subject to transmission limitations caused by atmospheric or topographical conditions. Service may be refused, limited, interrupted, or curtailed without notice due to government regulations or orders. Service may also be limited based on available coverage, carrier or third-party related issues or other conditions outside Telular's control. Orders for activating, changing or terminating Service will only be accepted by Telular upon receipt of written notice from Reseller by fax, e-mail, or by Telguard.com dealer portal. Reseller purchases units for the Services through Telular's distributors, and all such units purchased are subject to the Telular Terms and Conditions of Sale, notwithstanding any additional or different terms set forth in an order, acknowledgement or other forms of correspondence of the Reseller (which are each hereby rejected). Improper installation may prevent a unit from functioning properly and may result in transmission of unreasonably frequent and excessive signals, as determined by Telular in its sole discretion. Telular reserves the right in such event to suspend or deactivate Service on accounts that are transmitting excessive signals until the condition is corrected and Telular has determined to restore Service. Telular shall use reasonable effort to notify the Reseller of the excessive signals prior to suspending or deactivating Service but may suspend or deactivate the Service in its sole discretion. Telular shall have no liability of any kind as a result of any such suspension or deactivation.
- 2. <u>Term and Termination</u>. The term of this Agreement will commence on the date accepted by Telular and shall continue for an initial term of 12 months, with automatic renewal for additional 12 month periods if not canceled in writing by either party, thirty (30) days prior to the end of the then-current term. Either Telular or Reseller may terminate this Agreement in the event that the other party fails to perform any of its obligations under this Agreement and does not remedy such failure within thirty (30) calendar days after receiving written demand to remedy such failure.
- 3. <u>Rates</u>. Telular reserves the right to modify its rates and methods of computing charges for Service upon thirty (30) days written notification; provided however that Reseller shall have the right to terminate the Agreement and all its obligations hereunder, by providing written notice thereof within thirty (30) days after receipt of such change notice from Telular and after paying any charges due.
- 4. Billing and Payment. Telular will supply Reseller with a detailed bill for all activated Telguard units. Such bill will clearly display the Telguard unit, account number, total signals sent and excessive signal charges (if any) for each Telguard unit. Billing for total signals sent and excessive signal charges for the preceding month will be billed the following month. The first month of service is to begin the following month after a unit has been activated with Telular. Subsequently, when a unit is deactivated the following month there will be a Final Network charge equal to the monthly service fee. Payments are delinquent if not received by Telular by the due date shown on the monthly invoice. In the event payment is not received on or before the due date, Telular may, at Telular's option, in accordance with applicable tariffs (if any), charge Reseller interest at the rate of 1.5% percent per month, or the maximum rate permitted by applicable law or tariff. Telular may suspend or terminate Service on accounts that remain unpaid thirty (30) days beyond the invoice due date. Telular shall have no liability of any kind to Reseller if the Service is suspended or terminated for nonpayment. If an account is disconnected for nonpayment, a fee of \$10 per Telguard unit will be charged as a reconnection fee. In the event of non-payment on an account Telular has the right to turn unpaid balances over to a collection agency for debt collection. Reseller will be responsible for any collection costs and attorney fees incurred as a result of debt collection efforts. Telular may, at Telular's option, subject to the terms of any applicable tariffs (if any), charge Reseller a returned check fee (up to the maximum amount permitted by law) for any check returned for insufficient funds. All amounts due Telular, including disputed amounts, must be paid to Telular on or before the due date set forth on the invoice. Reseller must provide Telular with written notice of any disputed charges within thirty (30) days after the invoice date. Telular will make a good faith effort to resolve all disputes in accordance with Telular's procedures or applicable tariffs (if any).
- 5. <u>DISCLAIMER OF WARRANTIES</u>. RESELLER ACKNOWLEDGES AND AGREES THAT THE SERVICE AND ANY UNITS PROVIDED IN CONNECTION WITH SUCH SERVICES ARE PROVIDED WITHOUT WARRANTY OF ANY KIND, WHETHER EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY AND ANY WARRANTY THAT THE SERVICE OR THE UNITS ARE FIT FOR ANY PARTICULAR PURPOSE. TELULAR SHALL NOT BE RESPONSIBLE FOR DAMAGES RESULTING FROM DISRUPTION OR LOSS OF SERVICE (INCLUDING, WITHOUT LIMITATION, ANY PROPERTY DAMAGE, PERSONAL INJURY OR DEATH), CHANGES IN TECHNOLOGY, APPLICATION OF FEDERAL, STATE OR LOCAL LAWS OR REGULATIONS, CARRIER OR THIRD-PARTY RELATED ISSUES, OR FORCE MAJEURE EVENTS. TELULAR MAKES NO WARRANTIES OR REPRESENTATIONS THAT THE SERVICES WILL BE UNINTERRUPTED OR ERROR-FREE OR AS TO THE AVAILABILITY, RELIABILITY OR QUALITY OF SERVICE. TELULAR SHALL HAVE NO LIABILITY WHATSOEVER FOR ANY ERRORS, OUTAGES, OR FAILURES OF THE SERVICE OR ANY DEFECTS OR FAILURES IN ANY UNITS OR OF ANY FACILITIES OR

- SYSTEMS, INCLUDING, WITHOUT LIMITATION, IF CAUSED BY TELULAR'S UNDERLYING WIRELESS CARRIERS OR NETWORK PROVIDERS.
- 6. <u>Trademark and Confidential Information</u>. A. The Reseller agrees not to remove or efface any of Telular's trademarks, service marks, designs, markings, logos, trade names, including without limitation, the words "Telguard" (collectively, the Trademarks") on any products sold by the Reseller. All resulting use of any of the Trademarks shall inure solely to the benefit of Telular. The Reseller shall not use any of the Trademarks, or any mark or name confusingly similar thereto, in any manner, except that Reseller may use the Trademarks (a) on letterhead, business cards and signs in order to identify itself as an authorized reseller of Telular, or (b) in sales and promotional materials, provided that such materials have been previously approved by Telular. The Reseller shall not register any of the Trademarks or any mark or name closely resembling them. Telular, where applicable, shall retain the exclusive right to apply for entry or removal of Reseller as a registered user of the Trademarks and the Reseller agrees to be so entered or removed and shall execute all documents necessary therefor. The Reseller shall advise Telular of, and comply fully with, any legal requirements for the protection of the Trademarks.
- B. The Reseller shall hold the Confidential Information in strict confidence and shall not use or disclose the same except as required to perform its obligations under this Agreement. Upon Telular's request, Reseller shall execute and cause all of its officers and employees to execute, an agreement in form and substance satisfactory to Telular restricting the use and disclosure of the Confidential Information. "Confidential Information" means and includes all know-how, designs, drawings, specifications, formulations, recipes, books, price books, maintenance, parts and customer lists, price lists, cost data, and all other publications and information, whether or not reduced to writing, relating to the formulation, manufacture, use, marketing and sale of the Services or products, as well as any other information relating to the business of Telular which may be divulged to the Reseller in the course of its performance of this Agreement and which is generally not known in the trade.
- 7. Force Majeure. Other than with respect to failure to make payments due under this Agreement, neither party shall be liable under this Agreement for delays, failures to perform, damages, losses or destruction, or malfunction of any equipment, or any consequence thereof, caused by, or due to any cause beyond its reasonable control, including, but not limited to, fire, earthquake, flood, water, the elements, acto God, third party labor disputes, utility curtailments, cable cuts, failure caused by telecommunications or other Internet provider(s), power failures, explosions, civil disturbances, vandalism, governmental actions, shortages of equipment or supplies, or changes in law or regulation.
- 8. LIMITATION OF LIABILITY. Reseller acknowledges that the limitations set forth in this Section are integral to the amount of fees levied in connection with this Agreement, and that, were Telular to assume any further liability other than as set forth herein, such fees would of necessity be set substantially higher. To the maximum extent permitted by law, Telular's maximum aggregate liability for all claims in any way related to, or in connection with, this Agreement shall in no event exceed the amount of the monthly service fee paid by Reseller to Telular for the Service during the month in which the most recent claim first arose. TO THE FULLEST EXTENT PERMITTED BY LAW, TELULAR SHALL NOT BE LIABLE WHATSOEVER (INCLUDING, WITHOUT LIMITATION TO THE PESSILLER TO THAT SOEVER (INCLUDING, WITHOUT LIMITATION TO THE PESSILLER TO THAT SOEVER (INCLUDING, WITHOUT LIMITATION TO THE PESSILLER TO THAT SOEVER (INCLUDING, WITHOUT LIMITATION TO THE PESSILLER TO THAT SOEVER (INCLUDING, WITHOUT LIMITATION TO THE PESSILLER TO THAT SOEVER (INCLUDING). LIMITATION, TO THE RESELLER, ITS EMPLOYEES, CONTRACTORS, END USERS OR ANY THIRD PARTY) FOR ANY, INDIRECT, INCIDENTAL, CONSEQUENTIAL, PUNITIVE, OR SPECIAL DAMAGES OF ANY KIND, INCLUDING, BUT NOT LIMITED. TO, LOST PROFIT, LOST REVENUE, OR LOSS OF BUSINESS. THIS PROVISION APPLIES EVEN IF TELULAR IS INFORMED IN ADVANCE OF THE POSSIBILITY OF SUCH DAMAGES. TELULAR SHALL ALSO NOT BE LIABLE FOR ANY DELAYS, SERVICE INTERRUPTIONS, OUTAGES OR FOR ANY FAILURE TO PROVIDE THE SERVICES TO RESELLER. The limitations of liability afforded Telular in this Agreement shall apply (i) whether the action in which recovery is sought is based in contract or tort (including, but not limited to, negligence or strict liability), under a statute or rule or otherwise and (ii) notwithstanding that a limited liability party is alleged to be liable jointly with one or more parties or otherwise.
- 9. Indemnity By Reseller. Except to the extent a claim is subject to Telular's infringement indemnification obligation as set forth in Section 9 below, Reseller will indemnify, defend and hold Telular, its suppliers and business partners harmless from any and all damages, claims, actions, losses, liabilities and costs (including attorney's fees) that Telular, its suppliers or business partners incur from any claim arising from or in connection with Reseller's customer's, end user's or any third party's use of the Services or any unit used for transmission of the Service (including, without limitation, claims for personal injury or property damage), Reseller's combination of the Services or units with other products or services not provided by Telular, or Reseller's modification of the Services or units. Telular shall cooperate in defending against the claim at Reseller's expense. Reseller shall conduct the defense and shall have control of the litigation, provided that Reseller will not enter into any settlement without first obtaining Telular's written approval.
- 10. <u>Infringement Indemnity by Telular</u>. Subject to the limitations set forth in this Agreement, Telular will defend Reseller from a third party claim that the Service as

provided by Telular infringes a U.S. patent existing as of the date of this Agreement or a copyright or trade secret of such third party and Telular will indemnify Reseller from damages that are awarded in any final judgment entered by a court or body of competent jurisdiction or agreed to by Telular in any settlement of such claim by Telular, provided that: (i) Reseller promptly notifies Telular in writing of such claim or any threat thereof; (ii) Reseller grants Telular sole control of the defense and settlement of such claim; and (iii) Reseller provides Telular with all assistance, information, and authority reasonably required for the defense and settlement of the such claim, at Telular's expense. The foregoing obligations do not apply to any such claims based on: (a) any misuse of the Service, whether by Reseller, an end user or otherwise; (b) the combination or use of the Service or any unit with other products or services not provided by Telular; (c) modifications of the Services or any unit not performed by Telular; or (d) the failure of Reseller or any end user to implement corrections or changes provided by or on behalf of Telular. THIS SECTION STATES TELULAR'S ENTIRE LIABILITY AND RESELLER'S SOLE AND EXCLUSIVE REMEDY FOR INFRINGEMENT.

- 11. TELULAR'S CARRIERS. RESELLER ACKNOWLEDGES AND AGREES THAT THE SERVICE PROVIDED BY TELULAR HEREUNDER IS BASED UPON CELLULAR SERVICE AND OTHER COMMUNICATIONS SERVICES FURNISHED TO TELULAR BY TELULAR'S UNDERLYING CARRIERS, AND THAT TELULAR'S UNDERLYING CARRIERS SHALL HAVE NO LIABILITY OF ANY NATURE TO RESELLER OR RESELLER'S CUSTOMERS OR END USERS, WHETHER DIRECT, INDIRECT, INCIDENTAL OR CONSEQUENTIAL, ARISING OUT OF THIS AGREEMENT OR USE OF THE SERVICE.
- 12. <u>NO THIRD PARTY BENEFICIARIES</u>. THIS AGREEMENT INURES TO THE BENEFIT OF TELULAR AND RESELLER ONLY AND NO THIRD PARTY SHALL HAVE ANY RIGHTS HEREUNDER.
- 13. Compliance with Laws. Reseller and its directors, officers, employees or agents shall comply with all laws, regulations and ethical standards relating to its business activities, including the laws, regulations and ethical standards where Reseller and Telular are located. Reseller and its directors, officers, employees, and agents shall not at any time, either directly or through an intermediary, (i) offer, pay, promise to pay or authorize the payment of money or offer, give promise to give or authorize the giving of anything of value to an official, employee, officer or representative of any government or department, agency or instrumentality of any government, or a political party, party official or candidate or political office, for purposes of inducing such person to use his or her influence to assist Reseller, Telular, or any other person in anyway, whether within or outside of the territory where the Reseller and Telular are located, for the purpose of obtaining or retaining sales, or any other business opportunities or commercial advantage; or (2) otherwise violate the Foreign Corrupt Practices Act (FCPA) of 1977 as amended, the United Kingdom Bribery Act (UKBA) of 2010, as amended, their respective implementing regulations, or any other laws or regulations where Reseller and Telular are located. Reseller represents and warrant to Telular that (i) it and its directors, officers, employees and agents have complied with the requirements of this Section 13 at all times in the past, and (ii) are not, and are not controlled by or in anyway related to or affiliated with (in the form of equity ownership or otherwise), any official, employee, officer or representative of any government or department, agency or instrumentality of any government, or a political party, party official or candidate for political office, or to any other person or entity whatsoever with which business is sought. Reseller shall certify its compliance with the FCPA, the UKBA, and their respective implementing regulations, and this Section 13 to Telular and promptly respond to any inquiry by Telular necessary to demonstrate compliance with this Section 13. Reseller shall notify Supplier in writing of any failure to comply with the covenants, requirements, representations or warranties set forth in this Section 13 immediately upon the occurrence of any such failure to comply. Any failure to comply with this Section 13 shall cause this Agreement to be void ab initio, and subject all payments made under this Agreement to forfeiture by Reseller to Telular. Such forfeiture shall not limit any other damages due Telular for Reseller's failure to comply...
- 13. <u>General</u>. A. This Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania, without giving effect to its conflict of laws provisions.
- B. Any claim, controversy, disagreement, or dispute arising under this Agreement or the underlying business relationship of the parties or relating to any contract for the sale of Services or units by Telular to Reseller shall be resolved by final and binding arbitration before a single arbitrator in Philadelphia, Pennsylvania, U.S.A., in English, pursuant to the International Rules of the American Arbitration Association in effect as of the date of this Agreement. Judgment on any arbitral award resulting from such proceedings may be entered in any court of competent jurisdiction. This arbitration agreement shall be governed by and construed and interpreted in accordance with the Convention on the Recognition and Enforcement Foreign Arbitral Awards of June 10, 1958, the legislation implementing that Convention in the United States, 9 U.S.C. §§ 201 et seq., and, insofar as not inconsistent therewith, by the other provisions of the Federal Arbitration Act, 9 U.S.C. §§ 1 et seq.
- C. This Agreement represents the entire agreement between the parties on the subject matter hereof and supersedes all prior discussions, agreements and understandings of every kind and nature between them. No modification of this Agreement shall be effective unless in writing and signed by both parties.

{00038396.DOCX:}

- D. Neither party shall be in default hereunder by reason of any failure or delay in the performance of any obligation under this Agreement where such failure or delay arises out of any cause beyond the reasonable control and without the fault or negligence of such party. Such causes shall include, without limitation, storms, floods, other acts of nature, fires, explosions, riots, war, terrorism or civil disturbance, strikes or other labor unrests, embargoes and other governmental actions or regulations which would prohibit either party from ordering or furnishing products/services or from performing any other aspects of the obligations hereunder, delays in transportation, inability to obtain necessary labor, supplies or manufacturing facilities.
- E. The invalidity, of any part of this Agreement shall not affect the validity of the remainder. The failure of Telular to assert any right at any time hereunder shall not prevent Telular's subsequent assertion of the same or different rights.

Reseller may not assign this contract without the prior written approval of the Telular.