



VALUE ADDED RESELLER / PARTNER AGREEMENT

THIS VALUE ADDED RESELLER AGREEMENT (this “Agreement”), dated effective as of _____ (the “Effective Date”), is between DirectRM, Inc; with offices at 19200 Von Karman Avenue 4th Floor Irvine, CA. 92612 (“DRM”) and _____, (“VAR”)

WHEREAS, DRM offers products and services for sale in the collaboration applications and security markets; and

WHEREAS, DRM desires the services of VAR to assist in the sale and hosting of these products and services into a defined Territory as defined herein; and

WHEREAS, the VAR has the facilities, personnel and know-how to provide assistance to DRM in selling and hosting such products and services; and

WHEREAS, the parties wish to enter into this Agreement, which will establish the bases, on which the VAR will solicit orders for the sale of DRM’s Products and Services, deliver hosting services for the DRM Products and maintain the subsequent customer relationships.

WHEREAS, the VAR agrees to provide an upfront fee of \$10,000.00 for the Exclusive Server Setup with Demonstration Software which will be refunded upon the first \$75,000.00 of Booked Business.

NOW, THEREFORE, in consideration of the mutual promises hereinafter set forth, the parties hereto hereby agree as follows:

1. **DEFINITIONS.** As used in this Agreement, the following terms shall have the meanings indicated:
 - A. “**DRM Products and Services**” means any and all software, programs, associated files, maintenance, support, hosting services, implementation and installation services and other services which are offered for sale by DRM in the collaboration/security markets, and for which DRM has entered into this Agreement with the VAR. The applicable products/services are set forth in Exhibit C. It is understood that DRM may from time to time, in its absolute discretion, add or withdraw any product or line of products, or services from Exhibit C, and such change shall become effective upon written notice to VAR. DRM may from time to time furnish VAR with an amended Exhibit C, which shall thereupon supersede the existing Exhibit C and become part of this Agreement.
 - B. “**Price List**” means DRM VAR Price List as set forth in Exhibit D
 - C. “**Support Services**” means the services set forth in Exhibit E.
 - D. “**Customer**” means a third party not affiliated with the parties to which parties directly sells products, provides services, bills and collects and maintains the on-going relationship.
 - E. “**Prospective Clients**” shall mean corporations and business units in the Territory to which the parties may provide product and services
 - F. “**Territory**” shall mean the geography as specified in Exhibit A that the VAR is granted a non-exclusive right to market and solicit Prospective Clients.
 - G. “**Applicable Purchases**” shall mean orders placed for eligible DRM products and services purchased directly,



purchased through indirect channels or leased by customers.

- H. **“Qualified Opportunity”** shall mean a sales opportunity of a Prospective Client that VAR has registered in accordance with Section 5 of this Agreement.

2. **APPOINTMENT.** DRM hereby appoints VAR as its non-exclusive reseller for DRM Products and Services for sale in the Territory as it appears in Exhibit A (“Territory”). Such appointment is on a non-exclusive basis and DRM shall continue to have the right to appoint other resellers, and sell directly to Customers, in any territory or location. VAR hereby accepts its appointment. It is understood, however, that DRM shall at all times have the sole right to amend Exhibit A.

3. **REPRESENTATION.** VAR shall use its best efforts to obtain orders and promote the sale of products and services, including devoting such time and personnel as is necessary to regularly visit VAR customers. VAR agrees to inform DRM of potential sales opportunities in accordance with Section 5. VAR agrees to maintain a sales office at its own expense and to pay out of its own funds all costs associated with representing DRM as provided in this Agreement. VAR agrees to comply with DRM procedures and practices, as directed by DRM, which relate to placing and expediting orders and similar matters.

4. **PRICE, TERMS AND DISCOUNTS.** Prices, discounts, and other terms for DRM Products and Services are set forth in Exhibit C and are subject to change at any time, and will take effect following at least 30 Days prior written notice by DRM to VAR. DRM will honor all outstanding VAR quotes for 180 Days from the date written- notice of price changes is received by the VAR.

VAR cannot sell DRM’s Product and Services above the published Price List. However, DRM will grant VAR the ability to reduce the percentage of discounts offered to Customers based on VAR’s knowledge of the transaction.

5. **QUALIFIED OPPORTUNITIES.**

- A. **Deal Registration:** VAR must immediately provide written notice of such Qualified Opportunities with DRM by satisfying the provisions of this Section 5. Qualified Opportunities will be awarded based upon which party first registered the Qualified Opportunity with DRM.
- B. **Additional Information on Qualified Opportunity:** At the time of registering a Qualified Opportunity, VAR must also provide the following written information and documentation to DRM : (a) the prospect company name and address; (b) the name of the primary contact at the prospect (and primary decision maker with regards to purchase of relevant services if different than primary contact) and such person or persons’ address, telephone number, and email address (if available); (c) a summary of activities to date by the VAR; (d) a good faith estimated minimum revenue potential in the first year, along with supporting budget information; and (e) a good faith estimated timeframe to complete a sale to the Prospective Client. If Qualified Opportunities are not closed within 6 months of Registration, DRM and the VAR will collectively review and assess the status of the Opportunities to determine if the Registration is to be extended for a mutually agreed amount of time or Deregistered.
- C. DRM reserves the right to decline any opportunity registered by VAR.
- D. **Qualifying Orders:** In order for a sales order to qualify for a sales incentive, the sales order must meet all of the following criteria:
 - I. Signed Agreement and/or purchase order by a binding representative of the customer in accordance with DRM’s License Agreement at Exhibit G or similar terms and conditions as agreed upon by DRM.
 - II. Exceptions to standard terms and conditions have been pre-approved by DRM management.
 - III. Final pricing has been pre-approved by DRM management.



IV. Shipping location address, bill-to address and ship-to (where applicable).

Orders not meeting the above criteria will not be considered as qualifying orders for compensation purposes unless otherwise approved in writing by a DRM executive officer of the company.

6. **ORDER ACCEPTANCE.** An order is considered accepted when:

A. Purchases of DRM product and services pursuant to this Agreement shall be made by VAR using VAR's regular purchase order form; provided, however, additional, modified or conflicting terms and conditions on VAR's purchase order form shall not modify or amend this Agreement unless expressly agreed to in writing by DRM.

B. All orders must specify the Product(s) or Services(s) to be purchased; the appropriate purchase price; the requested ship date; and, if applicable, state the appropriate tax exemption certificate number, or include a blanket tax exemption certificate form for DRM's files when examined by tax authorities.

C. Products ordered will be deemed accepted by VAR upon installation by VAR of the VAR customer's account into VAR's production system.

7. **INVOICING.** Unless otherwise agreed to in writing by the parties as to any particular customer, VAR shall be responsible for invoicing and collecting payments, taxes and any other government fees/charges from customers purchasing products or services of DRM.

DRM will invoice VAR on the first business day of each month for all VAR customers that are in production during the prior month. The invoice amount will be based on DRM's List Price for DRM Products and Services less any applicable discounts. All VAR invoices are due within 30 calendar days from date of invoice.

8. **COMPENSATION.** In full and complete compensation for VAR's services as set forth in this Agreement, DRM shall offer thirty percent (30%) discounts on DRM's List Price (Exhibit D) for products and services to VAR for all sales, except in the case of Professional Services. In the event DRM's PS are required, the discount will be negotiated on a case-by-case basis. As outlined in Section 4, if VAR sells DRM's Products and Services with lower discount amounts as detailed on Price List, DRM will still invoice VAR using the Price List discounts. The discount difference will be additional compensation to VAR.

9. **VAR ADDITIONAL RESPONSIBILITIES.** In connection with the performance of its obligations in this Agreement in a professional and businesslike manner, VAR agrees to:

A. Hire, train and employ at its place or places of business competent, professional and ethical sales, technical and support personnel to sell and support DRM products and services. It is mutually agreed VAR will at all times employ 1 dedicated DRM certified sales person and 1 dedicated DRM certified support person. To be clear, 2 dedicated resources will be devoted to DRM business at all times.

B. Stay current with respect to information concerning the Products and, where appropriate, attend DRM's training with respect to the Products.

C. Provide prompt, reliable and competent Tier I and Tier II support to VAR customers in accordance with DRM's Support Policy in Exhibit E.

D. Maintain systems and equipment that meet or exceed DRM published standards and employ resources and industry best practices to deliver hosting services and to properly demonstrate the Products to VAR customers.



- E. Conduct its business in a professional manner that will reflect favorably on DRM and the Products and Services, and not engage in deceptive, fraudulent, misleading, illegal or unethical business practices, whether with respect to the Products and Services or otherwise.
 - F. Appoint a single point of contact that will work directly with DRM support personnel to address VAR questions and VAR customers' Tier III issues. VAR single point of contact will be responsible for disseminating information to the rest of the VAR organization. Related to Tier III calls, VAR single point of contact will be responsible for gathering data related to the VAR customer's issue(s) and managing the resolution process.
 - G. When contacted by customers belonging to other VARs or to DRM, immediately communicate via e-mail with other VAR and/or DRM regarding customers concerns and issues. Allow reasonable time for other VAR and/or DRM to resolve customer's concerns and issues. If customer still seeks to transfer their account from other VAR or DRM, customer must submit a transfer request and at DRM's sole discretion, will transfer the customer to the party requested. For the next 12 months following the effective date of the customer transfer, the two parties shall each receive 50% of the revenue from the transferred customer account. It will be the responsibility of the VAR receiving the transferred customers account to remit payment to the other VAR or DRM.
 - H. Prepare on an annual basis a DRM marketing plan and arrange for a meeting with DRM channel management to discuss.
 - I. By the third business day of each month, provide a sales forecast for the current month reflecting potential customers, size of opportunity and applying a scoring percentage to each opportunity.
 - J. VAR will allow DRM to use VAR's name in a DRM press release and DRM web site as well as VAR's experiences in white papers in accordance with Section 17 below.
 - K. VAR will not export, directly or indirectly, any products furnished by DRM hereunder outside the United States of America.
10. **DRM ADDITIONAL RESPONSIBILITIES.** In connection with the performance of its obligations in this Agreement in a professional and businesslike manner, DRM agrees to:
- A. Provide training (in-house, virtual or webinars) to VAR DRM personnel during the first 3 months of this Agreement. Then, provide subsequent training as necessary to update on additional features and functionality of DRM Product and Services.
 - B. Provide resources to support the VAR in closing opportunities. During the initial 3 months of this Agreement, DRM will be involved in every opportunity, if requested by VAR, to close opportunities. Thereafter, the parties will discuss each opportunity and together determine the level of involvement, if any, needed by DRM personnel.
 - C. Provide channel management to support VAR in a sales and marketing capacity.
 - D. Provide 5 User Seats to Approved Products for only internal-use, sales, and marketing purposes during the term of this Agreement.
 - E. Provide leads in the VAR's defined Territory in accordance with DRM's Lead Policy at Exhibit F.
 - F. Provide marketing collateral in electronic template format for DRM's Product and Services.



- G. Make available a marketing development fund program in which DRM will participate in DRM approved VAR marketing campaigns by matching each VAR marketing dollar up to \$5,000 per year. DRM channel management will provide the approval.
 - H. Provide VAR with a Virtual (VM) environment in DRM's secured operations center
 - I. Provide Tier III Support via VAR Contact Person. And, if agreed upon by both parties, DRM personnel will work directly with VAR customer to resolve support questions.
 - J. Schedule 2 channel meetings per year with DRM executive management at agreed upon location.
 - K. DRM will allow VAR to use DRM's name in a VAR press release and on VAR's web site in accordance with Section 17 below.
11. **RECORDS; AUDIT.** VAR and DRM shall keep complete and accurate books and records containing information reasonably necessary to confirm performance of its obligations under this Agreement, including without limitation to determine the amounts payable to the other party hereunder, for a period of 1 year following the termination or expiration of this Agreement. Each party may, directly or through an independent certified public accountant and no more frequently than once every twelve months and during regular business hours, audit the records of the other party relating to this Agreement. Each party shall pay its own audit costs unless the audit establishes that the party requesting the audit was underpaid by 5% or more, or that the party on whom the audit was performed was materially not in compliance with its obligations under this Agreement and has not established compliance within 30 days after notice of noncompliance. In either of these situations, the underpaying party or the party not in compliance, as appropriate, shall reimburse the auditing party for reasonable audit costs and shall pay any underpayment with 30 days from the completion of the audit.
12. **TERM.** This Agreement shall be for an initial term of 12 months from the Effective Date. On the last business day prior to expiration of the term and on each annual anniversary thereafter, this Agreement shall be automatically renewed for successive one-year terms unless one party notifies the other at least 60 days in advance of its intention to terminate this Agreement.
13. **TERMINATION.** DRM can immediately terminate this Agreement with 30 days of notice if VAR fails to achieve annual quota amount specified in Exhibit B. Either party may terminate this Agreement on material breach by the other party if the breach is not cured within 30 days of notice by the non-breaching party. In addition, either party may terminate this Agreement if the other party (i) becomes the subject of a voluntary or involuntary petition in bankruptcy or any proceeding relating to insolvency, receivership, liquidation, or composition for the benefit of creditors, if that petition or proceeding is not dismissed within 30 days after filing, (ii) suspends the operation of its present business or liquidates its business assets, or (iii) generally fails to pay its debts as such debts become due or admits in writing its inability to pay its debts.
- Except on the grounds of material breach by the VAR, DRM will continue to remit commission payments on Compensation from VAR customer contracts executed during the effective term. If VAR has documented with DRM that one of their registered VAR customers cannot make commitments beyond 12-months due to corporate and/or statutory requirements ("12-Month Limitation"), then DRM will allow 1 renewal to occur after termination. Except for those customers with a 12-Month Limitation, any customer renewals that occur after Termination will not be classified as Compensation and will not be owed to VAR. Except on the grounds of material breach by DRM, DRM will be allowed to immediately contact and directly sell to VAR customers regarding DRM's Product and Services after Termination.
- VAR agrees that for a 12 month period subsequent to the Termination date that the VAR will not solicit or sell to DRM customers or prospects registered to the VAR any competing products and/or services to DRM Products and Services.
14. **OWNERSHIP.** Nothing in this Agreement shall be interpreted as granting to VAR or DRM any license or any other interest in or right to use any technology or other proprietary rights of the other party. As between the parties, DRM shall own all right, title and interest, including all intellectual property rights, in DRM's products and services, including any results thereof.

15. **CONFIDENTIALITY.** In the performance of this Agreement, each party may have access to confidential, proprietary or trade secret information owned or provided by the other party relating to software computer programs, object code, source code, marketing plans, business plans, financial information, specifications, flow charts and other data ("Confidential Information"). All Confidential Information supplied by one party to another pursuant to this Agreement shall remain the exclusive property of the disclosing party. The receiving party shall use such Confidential Information only for the purposes of this Agreement and shall not copy, disclose, convey or transfer any of the Confidential Information or any part thereof to any third party, except that VAR may sublicense the Products as set forth in this Agreement. Neither party shall have any obligation with respect to Confidential Information which: (i) is or becomes generally known to the public by any means other than a breach of the obligations of a receiving party; (ii) was previously known to the a receiving party or rightly received by a receiving party from a third party; or (iii) is independently developed by or a the receiving party.
16. **DRM MARKS.**
- A. DRM hereby grants to VAR a limited, nonexclusive right to use DRM's regular trade names, trademarks, titles and logos (the "Licensed Marks") in the advertising, promotion and sale of the Products and Services. VAR shall not make or permit alteration or removal of tags, labels, or identifying marks placed by DRM on or within the Products and Services. VAR will not use DRM's trade names or abbreviations (with the exception of a logo or mark or graphic design provided by DRM which indicates VAR is an authorized reseller of Developer) in VAR's corporate title, or name or in any way that might result in confusion as to separate and distinct identities of DRM and VAR. Upon the expiration or earlier termination of this Agreement, the license granted to VAR in the Licensed Marks shall immediately terminate and VAR shall immediately cease and desist all use of the Licensed Marks.
- B. VAR recognizes and acknowledges DRM's ownership and title to the Licensed Marks and the goodwill related thereto and agrees that any goodwill which accrues because of VAR's use of such marks shall become the property of DRM. VAR further agrees not to contest or take any action in opposition to any trademark, serviceman, trade name or logo of DRM or to use, employ or attempt to register any mark or trade name, which is similar to any mark or name of DRM.
17. **PUBLICITY.**
- A. Neither party shall issue any press release, marketing materials, public announcement or other public statement or communication relating to the existence or the terms and conditions of this Agreement, or any portion thereof, without the prior written approval of the other party, except as reasonably necessary to legal or financial advisors or investors under conditions of confidentiality and nondisclosure similar to those contained in this Agreement, or as required by law (including but not limited to disclosure required in connection with the registration of securities). The existence and general nature of this Agreement may be disclosed by a mutually approved announcement.
- B. Neither party shall, without the other party's prior written consent, use the name, service marks or trademarks of the other party or any of its subsidiaries or affiliates.
18. **REPRESENTATIONS AND WARRANTIES.** Each of DRM and VAR represents and warrants to the other that (i) it has the right and authority to enter into this Agreement and perform its obligations hereunder, (ii) its performance under this Agreement shall not breach or conflict with any license, permit or other Agreement to which it is a party or by which it is bound, and (iii) its services and products shall not infringe the copyright, trademark or other intellectual property rights of any third party. Neither party shall make any representations, warranties or other promises or commitments concerning the services or products provided by the other party.
19. **INDEMNITY.** Each of DRM and VAR shall defend, indemnify and hold the other party harmless from any and all losses, damages, liabilities, costs, charges and expenses, including reasonable attorney's fees, arising out of any third party claim alleging a breach of any of its representations and warranties in Section 15, provided that the party seeking indemnification shall provide the indemnifying party with prompt notice and an opportunity to assume sole control over the defense and settlement of such claim.



20. **DISCLAIMER OF WARRANTIES.** EXCEPT AS EXPRESSLY SET FORTH HEREIN, EACH PARTY PROVIDES ITS SERVICES AND PRODUCTS "AS IS" WITHOUT WARRANTY OR GUARANTEE OF ANY KIND, EXPRESS OR IMPLIED, INCLUDING ANY IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.
21. **LIMITATION OF LIABILITY.** EXCEPT FOR A BREACH OF SECTION 15 (CONFIDENTIALITY) OR A PARTY'S INDEMNIFICATION OBLIGATIONS IN SECTION 19 (INDEMNITY), IN NO EVENT SHALL EITHER PARTY BE LIABLE TO THE OTHER PARTY UNDER ANY NEGLIGENCE, CONTRACT, STRICT LIABILITY, TORT OR OTHER LEGAL OR EQUITABLE THEORY FOR ANY LOST PROFITS OR FOR ANY CONSEQUENTIAL, PUNITIVE, SPECIAL OR EXEMPLARY DAMAGES (EVEN IF THAT PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES), ARISING FROM A BREACH OF THIS AGREEMENT.
22. **GENERAL PROVISIONS.**
- a) **Assignability.** *Neither party may sell, assign, transfer or convey this Agreement or its rights and obligations hereunder, without the prior written consent of the other party, which shall not be unreasonably withheld; provided that either party may assign or transfer this Agreement to a party that acquires substantially all of the assets or equity of such party. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective permitted successors and assigns.*
- (b) **Counterparts.** This Agreement may be executed in counterparts, each of which shall be deemed an original and all of which together shall constitute the same Agreement.
- (c) **Entire Agreement.** This Agreement and its Exhibits, incorporated by reference herein, sets forth the entire agreement between the parties hereto with respect to the subject matter hereof, merges all discussions between them and supersedes and replaces any and every other prior or contemporaneous agreement, understanding or negotiation to the extent that any such agreement relates to the subject matter hereof.
- (d) **Exhibits Incorporated.** All Exhibits referred to in this Agreement shall be deemed incorporated in this Agreement by reference.
- (e) **Force Majeure.** Neither party shall be liable for or have the right to terminate this Agreement as a result of, any delays or failures to perform any of its obligations hereunder to the extent that such delays or failures are due to circumstances beyond its reasonable control, including acts of God, strikes, riots, acts of war, power failures, governmental regulations imposed after the date of this Agreement or other events beyond the party's reasonable control.
- (f) **Further Assurances.** Each of the parties agrees to take such further actions and to execute such further documents as may be necessary or appropriate to effectuate the transactions contemplated herein.
- (g) **Jurisdiction and Venue.** The parties agree that any action arising from or out of the negotiations, execution, interpretation or enforcement of this Agreement may be brought in the state or federal courts that are located in the State of California hereby consents to jurisdiction and venue in the state and federal courts in California.
- (h) **Law Governing Agreement.** This Agreement shall be governed by the laws of the State of California (without regard to any conflict of laws or provisions contained therein).
- (i) **Modification or Amendment.** Any modification or amendment of any provision of this Agreement must be in writing and signed by a duly authorized representative of each party.
- (j) **No Implied Waivers.** The failure of either party to exercise any right or remedy herein, or the waiver by either party of any breach of this Agreement, shall not prevent a subsequent exercise or enforcement of such provisions or be deemed a waiver of any subsequent breach of the same or any other provision of this Agreement.



- (k) **Injunctive Relief.** In the event of a breach of Sections 14, 15 or 16 by VAR, VAR agrees that DRM or its affiliates are entitled to obtain interlocutory and final injunctive relief. VAR acknowledges that these provisions are reasonable and equitable and that any such breach will cause DRM or its affiliate's immediate and irreparable harm.
- (l) **No Third-Party Beneficiaries.** This Agreement is not intended to confer any benefit on any person or entity not a party hereto.
- (m) **Notices.** Any notice, demand, request, consent, approval or other communication (collectively, the "Notices") required or permitted to be given by any provision of this Agreement shall be in writing and sent by hand-delivery, by special courier capable of confirming receipt, by United States Certified Mail (return receipt requested, postage prepaid), or by telecopy or e-mail if receipt is confirmed. The parties recognize that a Notice might not be deemed effective if receipt is not confirmed. Notices shall be addressed to the party to be so notified as follows:

If to DirectRM, Inc.

DirectRM, Inc.
 Attention: Legal Dept.
 19200 Von Karman Avenue
 4th Floor
 Irvine, CA. 92612
 Phone: 949-622-5483

If to VAR:

Phone: _____

Fax: _____

Attention: _____

Notice pursuant to this Agreement shall be deemed given pursuant to the following rules: if hand-delivered, at the time of delivery; if sent by special courier, on the third day after delivery to the courier; if mailed, on the seventh day after deposit thereof in the United States Mails; and if sent by telecopy or e-mail, on the date transmitted if the sender receives confirmation that such transmission was received.

- (n) **Section Headings.** The headings and captions contained in this Agreement are for convenience only and shall not be considered in interpreting the provisions hereof.
- (o) **Severability.** If any provision of this Agreement shall prove to be illegal, invalid or unenforceable, the remainder of this Agreement shall not be affected thereby, and in lieu of each provision of this Agreement that is illegal, invalid or unenforceable, there shall be added as a part of this Agreement a provision as similar in terms to such illegal, invalid or unenforceable provision as may be possible and be legal, valid and enforceable.
- (p) **Independent Subcontractor.** VAR is performing the Services as an independent subcontractor and not as an employee of DRM and therefore is not entitled to receive any compensation, benefits or other incidents of employment from DRM. VAR shall be responsible for all taxes and other expenses attributable to the rendition of Services hereunder to DRM, and VAR shall indemnify, hold harmless and defend DRM from any and all claims, liabilities, damages, taxes, fines or penalties sought or recovered by any governmental entity, including but not



DirectRM, Inc

limited to the Internal Revenue Service or any state taxing authority, arising out of DRM's alleged failure to pay federal, state or local taxes during the term of this Agreement.

- (q) **No Partnership.** It is not the intention of the parties to create, nor shall this Agreement be construed as creating, a partnership, joint venture, agency relationship, or association, or render the parties liable as partners, co-ventures, agents or principals. Each party shall be responsible for all payments due to its employees and subcontractors, including all benefits, medical coverage and insurance.
- (r) **Survival.** Sections 13 to 17, Sections 19 to 21, and any outstanding payment obligations under Section 7 ("Invoicing") shall survive termination or expiration of this Agreement executed to be effective as of the date set forth above.

By: DirectRM, Inc.

By: _____

Signature: _____

Signature: _____

Name: Joseph Baggio

Name: _____

Title: Director

Title: _____

Date: _____

Date: _____



EXHIBIT A
TERRITORY

Geography – Asia Pacific

Industries/sectors – All

At DRM's discretion, DRM executive management will review and approve VAR pursuing sales opportunities outside of this Territory.



**EXHIBIT B
VAR REVENUE TARGET**

DRM and the VAR will jointly develop an annual revenue target for the VAR to achieve during the first 90 days of signing the contract. The annual revenue target will then be broken into quarterly revenue targets jointly by the VAR and DRM. The annual and quarterly revenue targets will be reviewed on a quarterly basis by DRM and VAR and may be adjusted up or down based on VAR’s performance and business prospects for the upcoming quarters.

For purposes of annual revenue target determination, Contract Value will represent the aggregate amounts to be billed for DRM Products and Services from the contracts signed by all new VAR customers during that annual period. For example, VAR signs 2 new VAR customers that sign agreements to pay \$100 per month for 24 months in Year 1, then \$4,800 of Annual Target attainment is allotted to Year 1 Revenue target attainment but \$0 is allotted to Year 2 Revenue target attainment. If third-party products are included, then the revenue target amount for those specific products and services will be reduced by the third-party cost of sales. Any VAR customers that default on their commitment will have the outstanding term of VAR customers’ contracts offset against VAR’s Annual Revenue target in year of occurrence.

Annual revenue target: **\$\$\$** (Will be mutually determined by VAR and DRM within the first 90 days of signing the contract)

Quarterly targets:

Jan – March’14	Apr – Jun’14	Jul – Sep’14	Oct – Dec’14
\$\$	\$\$	\$\$	\$\$

EXHIBIT C Products and Services

Types of Licenses

STRONG	= 2-Factor Authentication
PROFESSIONAL	= 2-Factor Authentication + SSL/VPN + Firewall
ENTERPRISE	= 2-Factor Authentication + SSL/VPN + Firewall + SSO + End-point Security

FEATURES COMPARISON

FEATURE	TYPE OF LICENSE		
	STRONG	PROFESSIONAL	ENTERPRISE
No Yearly Contract Required	X	X	X
Monthly Subscription Available	X	X	X
No User Limit	X	X	X
Unlimited Lifespan Tokens	X	X	X
Active Directory or (LDAP) Automatic Enrollment	X	X	X
Multiple Server Licensing	X	X	X
Unified Management	X	X	X
(24x7x365) US-based Live Technical Support	X	X	X
Eight different authentication methods	X	X	X
Identity Management	X	X	X
Back-up and Restore Available (w/hosting)	X	X	X
Live Dashboard Event Alerts	X	X	X
User Security Controls	X	X	X
Cafeteria Style Password Alert System	X	X	X
Mobile Phone Alert Access / Outlook and Goggle Mail	X	X	X
Online Activation	X	X	X
Hair and Fiber Forensics	X	X	X
Denial of Service	X	X	X
PIN number change by user	X	X	X
PIN change by issuer as per security policy	X	X	X
High Availability		X	X
Secure Resource Portal		X	X
Access Control		X	X
Clientless SSL Access		X	X
Access to email Connectors, Web Applications, Client Server/ Applications, File sharing, Citrix with Session Cleanup		X	X
Firewall		X	X
SSL/VPN		X	X
6 A's Security Architecture			X
Endpoint Security			X
Single Sign-On			X



Professional Security Consulting

DirectRM offers Professional Services that complements our security product offerings in the following areas:

Internal Vulnerability Assessment
External Vulnerability Assessment
Penetration Testing

Device Audit
Infrastructure Analysis
Wireless Security Assessment
Security Policy Review

Contingency Planning (IRP, BCP, DRP)
Procedures, Standards, & Baselines Review
Compliance Gap Analysis (PCI, HIPAA, SOX, FISMA,
ISO, COBIT)
Physical Security Assessment
Sensitive Data Assessment
Social Engineering

Please call your channel manager at DirectRM for quotes on PS opportunities.

EXHIBIT D
Suggested List Price
As of October 15, 2013

Types of Licenses

STRONG	= 2-Factor Authentication
PROFESSIONAL	= 2-Factor Authentication + SSL/VPN + Firewall
ENTERPRISE	= 2-Factor Authentication + SSL/VPN + Firewall + SSO + End-point Security

Monthly Subscription Pricing Schedule (per user)

Types of License				Tokens ¹	Support	Installation Options		
Quantity	STRONG	PROFESSIONAL	ENTERPRISE			Onsite Customer Hardware	Onsite Appliance + Setup ²	Cloud Hosting ³
0-500	\$7.95	\$32.10	\$37.85	Included	Included	\$995	\$4,990	Included
501-2500	\$7.30	\$29.50	\$34.80	Included	Included	\$995	\$7,990	Included
2501-5000	\$6.75	\$27.15	\$32.00	Included	Included	\$995	\$10,090	Included
5001-10000	\$6.25	\$25.00	\$29.50	Included	Included	Waived	\$13,990	Included
10000+	\$5.85	Special Bid Pricing		Included	Included	Waived	\$15,090	Included

Perpetual Pricing Schedule (per user)

Types of License				Tokens ¹	Support	Installation Options		
Quantity	STRONG	PROFESSIONAL	ENTERPRISE			Onsite Customer Hardware	Onsite Appliance + Setup ²	Cloud Hosting ³
0-500	\$69	\$279	\$329	Included	First year free; 23% per year thereafter	\$995	\$4,990	Included
501-2500	\$63	\$257	\$303	Included		\$995	\$7,990	Included
2501-5000	\$58	\$236	\$278	Included		\$995	\$10,090	Included
5001-10000	\$54	\$217	\$257	Included		Waived	\$13,990	Included
10000+	Special Bid Pricing			Included		Waived	TBD	Included

Note:

1. All software tokens including the virtual PIN pad token are absolutely free. There will be additional cost for physical authenticator cards DA-Display Card and DA-PIN pad Smart Card based on market price and quantity of order. Please call your Channel Manager at DirectRM for pricing.
2. Installed at customer site
3. Hosting includes backup and Disaster Recovery
4. Software application integration, Portal and Branding available at additional cost

Starter Pack Pricing

Starter Pack Size	Package Includes	Starter Discount	Pricing			
			Monthly Subscription		Perpetual	
			List	Sale Price	List	Sale Price
5 pack	§ 5 DirectRM DA-Display Card § 5 User License § 1 DA Server License § 1 Year support and maintenance	You save 5%	\$270 One time + \$7.95 per month	\$256 One time + \$7.55 per month	\$615	\$584
10 pack	§ 10 DirectRM DA-Display Card § 10 User License § 1 DA Server License § 1 Year support and maintenance	You save 7%	\$540 One time + \$7.95 per month	\$502.2 One time + \$7.39 per month	\$1,230	\$1,144
25 pack	§ 25 DirectRM DA-Display Card § 25 User License § 1 DA Server License § 1 Year support and maintenance	You save 10%	\$1350 One time + \$7.95 per month	\$1215 One time + \$7.16 per month	\$3,075	\$2,768



EXHIBIT E
SUPPORT POLICY & PROCEDURES

VAR understands as a condition of this Agreement, VAR will provide Tier-1 and Tier-2 Level Support directly to VAR customers with VAR’s own certified DRM support personnel (“VAR Customer Support”).

1. TIER-1 and TIER-2 LEVEL SUPPORT REQUIREMENTS. VAR Customer Support consists of providing the following level of effort and resources to VAR customers:

- A) Provide standard call support from 8:00am to 6:00pm for the local office that VAR delivers primary support services.
B) Provide 24/7 emergency call support to be available via cell phone and email.
C) Maintain the minimum level of support personnel as identified in Section 9 – VAR Additional Responsibilities.
D) All VAR Customer Support calls are first received by VAR support personnel. VAR will make a determination on the nature of the call – either a Support or Defect Call (defined below). All Support Calls are to be addressed and resolved by VAR support personnel. If VAR personnel need to escalate a Support Call to DRM support personnel, VAR’s Support Point of Contact must contact DRM support personnel with details behind the situation, which DRM will work with VAR Support Point of Contact to resolve. Regarding Defect Calls, VAR support personnel will directly address and resolve all Severity Level 3 and Level 4 Defect Calls. For Severity Level 1 and 2 Defect Calls or Severity Level 3 or 4 Defect Calls that cannot be resolved by VAR, VAR support personnel will attempt to gather the necessary information to identify and isolate the issue. VAR Support Point of Contact will work directly with DRM’s support personnel to resolve all Defect Calls, and if mutually agreed upon by both parties, DRM can work directly with VAR’s customers to accelerate the resolution process.

2. SUPPORT CALL GUIDELINES. VAR will acknowledge, respond and resolve all Support Calls within the following guidelines:

Table with 4 columns: Support Call Type, Acknowledge, Respond, Resolve. Rows include General Support Calls and Complex Support Calls with their respective timeframes.

A General Support Call relates to simple problems or general “how-to” questions. A Complex Support Call relates to complex problems requiring knowledge of advance features of DRM’s Product and Services and/or how to apply DRM provided bug fixes available via DRM’s knowledge base. DRM understands the complexity in determining and resolving the nature of a Support Call so is providing the above as a guideline. VAR will seek to achieve 90% achievement of these guidelines on a quarterly basis.

3. **DEFECT CALL GUIDELINES.** VAR will evaluate and assign a severity level based upon the below criteria for a Defect Call. In addition, VAR will acknowledge and respond to Defect Calls to VAR’s customers and submit the Defect Call to DRM within the following guidelines:

<u>Defect Call Type</u>	<u>Acknowledge</u>	<u>Respond</u>	<u>DRM Submission</u>
Severity 1 Calls	30 min.	90 min.	60 min.
Severity 2 Calls	30 min.	90 min	60 min.
Severity 3 Calls	3 hours	12 hours	8 hours
Severity 4 Calls	3 hours	24 hours	20 hours (if needed)

Severity 1	<p style="text-align: center;">Global Impact</p> <ul style="list-style-type: none"> - Fine line outage - Defect that prevents the function of a high priority process with no reasonable work around
Severity 2	<p style="text-align: center;">Global Impact</p> <ul style="list-style-type: none"> - Minor fine line outage - Defect that prevents the function of a medium priority process with no reasonable work around - Defect impacting a high priority process, but work around exists <p style="text-align: center;">Single User Impact</p> <ul style="list-style-type: none"> - Fine line outage - Defect that prevents the function of a high priority process with no reasonable work around
Severity 3	<p style="text-align: center;">Global Impact</p> <ul style="list-style-type: none"> - Defect that prevents the function of a low priority process with no reasonable work around - Defect impacting a medium priority process, but work around exists <p style="text-align: center;">Single User Impact</p> <ul style="list-style-type: none"> - Defect that prevents the function of a medium priority process with no reasonable work around
Severity 4	<ul style="list-style-type: none"> - All other defects (eg, cosmetic formatting changes, etc) are not

DRM will prioritize Defect Calls based on Severity Level, sufficiency of information received from VAR, the impact on the customer(s) and available bug fixes/work around. Severity 3 and 4 Defect Calls are Tier-2 Level support and Severity 1 and 2 Defect Calls are Tier-3 Level support. DRM will provide an estimate on when Defect Calls will be addressed and will use its best efforts to resolve within the estimated time. DRM will communicate to VAR support personnel if an original estimate time is changing due to changing circumstances. At DRM’s discretion, a Defect Call could be classified as an enhancement. Enhancement will be included in discussions that may or may not result in that enhancement being included in to DRM’s future product release.

4. **SUPPORT ENVIRONMENT.** VAR Customer Support will maintain the proper hardware, software and IT infrastructure configuration (“Support Environment”) that will allow VAR’s customer support personnel to perform Tier-1 and Tier-2 Level support. DRM reserves the right to review VAR’s Support Environment, request Support Environment enhancement, and if necessary, require changes to the Support Environment to ensure VAR can adequately perform Tier-1 and Tier-2 Level support in accordance with DRM level of support.

5. **KNOWLEDGE BASE.** VAR will maintain its own internal knowledge base that tracks the receiving, detail information and resolution of all Support Calls from VAR customers. On a periodic basis, VAR will review DRM's knowledge base via DRM's VAR portal to research questions, identify new bug fixes/patches and familiarize with new features and functionality of each product release. Before making a request to DRM support, VAR support will review VAR and DRM Knowledge Bases to find answer.
6. **DEFECT CALL SUBMISSION TO DRM.** All VAR support submissions to DRM support must be entered via DRM's VAR Portal using the DRM Support Log. However, to expedite resolution, VAR support can call DRM's emergency support number for all Severity Level 1 or 2 Defect Calls. Both parties will diligently update and maintain the DRM Support Log with the most current information available to maintain proper documentation and communication between the parties.
7. **VAR SUPPORT POINT OF CONTACT.** The purpose of the VAR Support Point of Contact ("Support Contact") is to provide for a consistent and efficient means for exchanging data and information and resolving support inquiries between the parties. DRM support personnel will only take calls and submissions that have originated with the Support Contact. If Support Contact is not available, then VAR must designate a back-up Support Contact. Both the Support Contact and back-up Support Contact need to be certified by DRM support. At Support Contact's request, and at DRM's discretion, DRM support personnel can directly work with other members of VAR's support team if this allows for a more expeditious resolution. It is the responsibility of the Support Contact to ensure the VAR Knowledge Base is kept current.
8. **CERTIFICATION AND TRAINING.** DRM support personnel will provide training (on-site, webinars, and/or virtual) to ensure VAR's Support Contact(s) have the knowledge to address Tier-1 and Tier-2 Level calls. After 4 months, DRM will test Support Contact(s) on standard Tier-1 and Tier-2 questions, issues and resolutions, and if sufficient knowledge is determined, then DRM support personnel will be awarded Certification. If Support Contact(s) fails to achieve Certification within 6 months, DRM can request a new Support Contact is designated and VAR will pay for the training of the new Support Contact. If a Support Contact(s) leaves the employment of VAR, DRM will provide training free-of-charge for 1 new Support Contact per year.

During the initial months of this Agreement, DRM will provide training to all VAR's support personnel, but once Support Contact(s) earns Certification, Support Contact(s) will become lead trainer for VAR. DRM will provide updates and training on as needed basis to Support Contact(s).

EXHIBIT F

LEAD DISTRIBUTION POLICY

DRM will distribute leads received from DRM's lead-generation activities to VARs as well as retaining leads for DRM to directly pursue. Territory is a primary factor in distributing leads. However, other key factors in distributing leads are which party has the strongest resources, experience and track-record in closing similar types of opportunities. All of these factors will be taken into consideration in making the determination. DRM will allow VAR to participate in the lead distribution program under the following situations:

1. During first 6 months, leads will be passed to help VAR build a sales pipeline.
2. After initial 6 months, VAR must close 15% of the number of Qualified Leads passed to continue to part of lead distribution program. Or, VAR must be at 75% of VAR's Annual Revenue Targets on a year-to-date basis. This will be evaluated on a quarterly basis by channel management.
3. If VAR closes more than 25% of the number of Qualified Leads passed or is achieving over 110% of VAR's Annual Quota on year-to-date basis, VAR will be rewarded for overachievement by being given preference in the lead distribution process. This will be evaluated on a quarterly basis by channel management.

Leads that have been contacted by DRM with initial discussions being had with the prospect are considered "Qualified Leads".



EXHIBIT G

Wire Transfer Information:

Beneficiary Bank: JPMorgan Chase Bank, N.A (703)

Branch Name: Imperial and La Parma - 115385

Address: 5703 E La Palma Ave., Anaheim, CA 92807

Phone: (714) 970-7357

SWIFT No.: CHASUS33

* Used for International Wires *

Routing No.: 322271627

* Used for Domestic Wires *

Beneficiary Name: DirectRM Inc.

Beneficiary Address:

2711 Centerville Road

Wilmington, DE 19808-1645

Beneficiary Account Number: 778229562